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FRANCE, BELGIUM, NETHERLANDS MINESWEEPING EXERCISES, FORCES

Paris DEFENSE NATIONALE in French Aug-Sep 80 pp 168-169

[Article by Bernard Dyle]

[Text] Associated in the construction of a joint mine chaser, France, Belgium, and the Netherlands met for an exercise in anti-mine defense, Norminex 80, which was conducted in the English Channel from 14 to 27 May 1980. The British and Germans also participated in this important exercise, and so did Stanav Forchan, a standing NATO minesweeping fleet composed of vessels of different nationalities.

American missions specializing in anti-mine defense are regularly stationed in France and show interest in our materiel and equipment, demonstrating the renewed interest of the United States in a field, where for many years past they were satisfied to maintain a limited number of minesweepers (about 25, manned mostly by reservists) and minesweeping helicopters (30 AH-53 Sea Stallions). Eight of these participated in the hostage liberation intervention in Iran, which for the helicopters, ended in the abandonment of seven of the aircraft in the field.

Great progress is currently being made in mine technology. Mines are no longer limited to shallow immersions; selective fusing allows their use up to depths of 700 m, making them particularly dangerous for submarines. Russia's capability for deep mining is one of the reasons for the West's renewed interest in anti-mine defense.

Mines can represent a particularly acute threat for the approaches of major military as well as civilian ports. Until now, on the continental shelf, this threat existed at depths down to 100 m. Today, it may extend to depths of about 300 m. Efforts are therefore being concentrated on neutralizing mines at these depths.

Anti-mine defense consists of two distinct phases: detection, and sweeping.

Mine chasing is a new technique which was developed a few years ago, as a result of the increasing complexity of fusing systems, whose cleverness is becoming diabolical. The technique consists in detecting mines with a very advanced sonar, tantamount to an acoustical television, which makes it possible to recognize the shape of objects lying on sea bottoms or floating in the water. Mines detected by these means are then destroyed by blasting. This technique understandably requires accurate knowledge of sea floors, so that new objects amid the miscellaneous debris and rocks scattered on the bottom may be rapidly singled out. In fact, some types of highly disturbed ocean floors are considered unsweepable.

Sweeping therefore remains a gallant task. It consists of either cutting the mine loose, allowing it to float to the surface where it is destroyed by shell fire, or detonating the depth mine by artificially creating the magnetic, acoustical, or combined signal which activates the device's fuse.

Our navy finds itself in a very favorable position in fighting this threat, which is always present in a crisis situation where an adversary might move against our supplies or our free access to our military ports.

This favorable position results from the success of Circe-type mine chasers and of the Skubermor (ocean sweeper, in Breton dialect) weapons system; the latter is composed of the DUBM 21 mine detecting sonar, the PAP 104 self-propelled intervention submersible, and the EVEC scanner and selector combination. This system is supplemented with the DUBM 41, a towed bottom-monitoring sonar, and with the mine warfare data-processing center based in Brest.

Whereas the mine chasing domain is under extensive development, that of minesweeping at depths greater than 80 m is less advanced. The United States has undertaken studies to improve minesweeping with helicopters at depths of the order of 300 m, and France is studying a very-deep sweeping technique.

In order to fulfill its anti-mine defense mission (free access to its two sea coasts), our navy is currently equipped with:

Three mine chaser divisions (modified Circe or MSO * types);

Three minesweeper divisions (one MSO equipped with the DUBM 41 sonar or with a Shadograph, at Brest, and two coastal minesweepers);

Three groups of mine removal divers, with their base ship.

These resources are distributed among Brest, Cherbourg, and Toulon.

* MSO: American-built ocean minesweeper.

A program for 15 three-country mine chasers of the Eridan type has been launched. The first unit should be placed in active service in September 1981, the second during the first quarter of 1982. The program also includes the construction of 12 very-deep and several shallow minesweepers.

The Eridan type mine chaser is the result of a collaboration which began in December 1974 with the signing of a joint military program, by the chiefs-of-staff of the Belgian, Dutch, and French navies; this was followed by a governmental agreement in July 1975. The prototype is being built in France, and the Technical Directorate for Naval Construction (DTCN) is charged with the program direction and construction coordination.

The interest shown by the Americans in Eridan can be linked to their project for 19 MCM mine chasers, five of which are included in the 1980-1984 plan. These 1600 ton vessels will be equipped with mine-chasing sonars and with intervention devices similar to the French PAP 104, but with higher distance and depth performances.

Anti-mine defense is a long range and thankless task, which requires very specialized means as well as a very good knowledge of the waters in which it is conducted. The Norminex 80 exercise confirmed the various aspects of this task, and demonstrated that collaboration among allied nations is very fruitful.

While the problems to be solved are similar for each nation, the methods and means utilized can be different. In this evolving domain, a comparison of each other's experience is a source of progress.

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CSO: 3100

UDF REPORT ON NATIONAL DEFENSE CALLED 'REVEALING'

Paris STRATEGIE ET DEFENSE in French Jul 80 No 6 p 24

[Article by Louis Baillot]

[Text] The UDF has issued a document entitled "A Doctrine of Defense for France" which has the great merit of clarifying the policies of one of the two parties of the majority. In particular, for the first time in a text, the enemy is identified by name: the USSR. Already recent declarations by UDF leaders Lecanuet and Poniatoski had made it possible to catch a glimpse of what, according to them, French defense policies should be. Poniatoski even went so far as to envisage making the French nuclear arm available for a European defense.

The entire policy defined by the UDF revolved around this central idea: "French defense is necessarily inserted within a European context, the sole context of a possible battle," and, so that everything would be perfectly clear, it was even added: "the Atlantic Alliance is for France a capital element of its defense" and "we remain convinced of American solidarity without which, moreover, the defense of Europe would prove to be an illusion."

Thus to those who claim that the establishment of a European defense based on a Franco-German condominium could be able to be independent of the USA, the UDF responds unequivocally: there is no possibility of it. The defense of Europe can only be Atlantic and American.

The interest of the UDF text resides in the revival of the "Forward Defense Strategy" defined by the President of the Republic and by General Mery, general chief of staff, in the Spring of 1976. Only, at the time, the emotion created, including within the army, by such declarations had led the Elysee Palace and the General Staff to put them on hold to the extent that one might have thought they had never been uttered.

"Direct or indirect," the threat (from the USSR) is one and the same and does not begin at our frontiers," the text says, and, with this as a starting point, "France...must take the initiative of a European concertation in defense matters."

If the necessity of maintaining the strategy of deterrence is affirmed, that is really a stylistic proviso, for in fact the UDF emphasizes the tactical nuclear weaponry, the very one which makes it possible to carry out a "forward defense strategy."

Does one not indeed read: "the choice is therefore clear: the organization of defense in Europe must be conceived to GIVE BATTLE, with the support of numerous tactical nuclear weapons."

And, here, the recourse to the neutron bomb takes on its full meaning. Its manufacture in France would signify:

--on the one hand, the participation of our country in the relaunching of the arms race decided upon by Carter and NATO in 1978 at Washington;

--on the other hand, the abandonment of the strategy of deterrence, that is to say of the refusal of war and the acceptance of the "forward defense strategy," that is to say of the possible war, of war "made commonplace." Furthermore, is it not significant that at the time when everything is being done to render the neutron bomb acceptable, including under the form of "super-strategic bomb," we are witnessing a campaign sparked by Marcellin, the former Giscardian minister of the interior, on behalf of the construction of anti-atomic shelters, up to and including under form of advertising placards in the press of Mr Hersant.

Responding to the wishes of Poniatowski, an influential adviser to the President of the Republic, the UDF document states that "European developments in the field of defense require that the European nuclear problem be addressed." How? By the expedient of France and Great Britain who "should, without neglecting consultation with their other European allies, undertake between themselves, cooperation in all possible domains: operational, technical, industrial."

By this proposition, the UDF removes a major obstacle. Indeed, the partisans of a European defense and a European army have not hidden the fact that these should above all rely on France and the Federal Republic of Germany [FRG]. The FRG, because it possesses industrial might and the largest conventional army in the EEC; France, for its nuclear weapons. But by virtue of the Treaties of Paris, the FRG can not have nuclear weapons. By abandoning the Franco-German condominium, for a Franco-English nuclear condominium, the UDF hopes to bring about the conditions for the constitution of a European defense possessing nuclear weapons to which the FRG would have access.

This proposition of the UDF, like that made by UDF deputy Ormesson and those of the CDU-CSU in the European Assembly in Strasbourg, to set up a CEE war fleet for the purpose of protecting its lines of communication, aims doubtless to convince France's partners of its European goodwill since, according to the Giscardians: "There will be no progress in the political construction of Europe as long as our partners are not completely convinced of our solidarity."

Finally, among the 7 UDF propositions, there is one which should particularly arrest one's attention: that entitled "The security of the services."

This concerns "preparing for the struggle against subversion" for "we do not deceive ourselves:" the rear "will be the first to be attacked."

What does the UDF mean by subversion?

If the text is to be believed, it is the means the Soviet Union would be able to use to attack "intelligence and will power." "The stakes are no longer, as previously, a territory or a province but the soul of an entire population."

By requesting that priority be given by the government to "the security of the territory of which civil defense is an integral part," the UDF relaunched the discussion on the operational defense of the territory and on the conception and the role of the army which, contrary to what Galley stated several years back, can not be "the last recourse of a liberal society."

The ideas expounded in the UDF document give rise to many questions and a lot of opposition, particularly in military circles. There is good reason for this.

One question still remains. What will the attitude of the President of the Republic be towards a text of the party which makes use of his name and which accords him total support?

In the interest of France, its independence and its sovereignty, it is necessary that these ambiguities can be clarified.

9330

CSO: 3100

RESUME OF RPR IDEAS ON NATIONAL DEFENSE PROVIDED

Paris STRATEGIE ET DEFENSE in French Jul 80 No 6 p 25

[Text] We publish below a brief analysis of the report presented to the press by the Rassemblement pour la Republique (RPR) on 3 June last. The pagination indicated in parenthesis refers to the initial document. "Reflections on Defense" can be ordered from the National Delegation for Defense of the RPR, 123, rue de Lille, 75007 Paris, for 15 francs a copy payable to the RPR.

The Important Choices

One word resumes, ranks, and orders these choices: deterrence.

It expresses the desire for peace on the part of France which could in no wise act as aggressor. The deterrence must be based on:

- the nuclear forces which are the major means,
- the conventional forces which it is necessary to adapt,
- a civil defense which must be the indispensable complement.

We must reinforce our nuclear armament while at the same time maintaining its diversity:

- we must set an objective of 15 missile launching nuclear submarines for the year 2010.

[We must] launch 4 of them by 1992 (p 39)

[We must]

- put in use a new air component: supersonic penetration planes carrying air-to-surface missiles (p 41)

- accelerate the launching of a military observation satellite (p 43)

--assure the credibility of our tactical nuclear armament (p 45)

--not make the enhanced radiation weapon a priority, but master its technology (p 47).

We must reinforce our conventional military capability:

--in the navy which must in particular receive a new generation of nuclear-powered aircraft carriers (p 55)

--in the air force, a strategic penetration plane which can be used for tactical purposes and a transport fleet with increased tonnage and radius of action (p 59)

--in the foreign intervention force with emphasis on the navy and transport aviation (p 53)

--in the army whose vocation must be split in two:

a) for manoeuvre forces using advanced equipment, a voluntary defense service from 18 to 24 months will reinforce the efficiency of our armored divisions, rendered more mobile and multivalent (p 64)

b) for the defense of the territory, a general conscription based on universal defense service of 6 months of which 4 in the initial period, with recalls in following years, regionalized, thus making possible very quick mobilization, adapted to the risks of a modern conflict (p 63).

We should protect our population against the risks of radio-active fall-out (p 68).

We must endow France with an efficient civil defense which takes into account the reality of the risk. That means immediately inventory all possible shelters, give a list of improvised equipment required for their utilization, establish instructions which will make it possible for the population to take shelter in a very short period of time by using reservists provided with defense assignments. That also means that all construction standards of buildings, parking lots and other underground installations will be reviewed to make it possible to turn them into reliable shelters. Such an effort, spread out in time and carried out with determination is within our means.

The Price of Security

Our economic capability, our place in the world, our concern to strengthen our nuclear means without sacrificing conventional weapons must lead us to set immediately at 4 percent of gross industrial product the budget of the Ministry of Defense while envisaging a progressive increase to 4.5 and even 5 percent by the end of the century, depending on the political and strategic context (p 22).

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CSO: 3100

MIRAGE 4000'S ROLE IN DEFENSE OUTLINED

Paris STRATEGIE ET DEFENSE in French Jul 80 No 6 pp 26-27

[Article by Christian Reivillo]

[Text] 1980 marks an important stage in the evolution of our doctrine of defense. This is indeed the year that the government must choose its future strategic component; a choice which must conserve for our deterrence unquestioned credibility. From this point of view, the nuclear components we currently have available are of very unequal value.

The Mirage IV's are no longer the spearhead of our nuclear arsenal and their effectiveness for 1985 will only be able to be maintained at the cost of important modifications of their navigation systems and of countermeasures to put into use a medium range air-to-surface missile.

The potential adversary having the initiative of the conflict can hope to destroy our riposte capability and the plateau of Albion missiles are at the mercy of a selective ground attack.

The nuclear missile-launching submarines are therefore at the present time our weapons which are the least vulnerable to an aggressor's blows, for detection techniques are relatively ineffective against high performance submarines.

The development of the submarine component, if it constitutes a priority should not be the only one, for we have to preserve the long term future and not run the risk of being once again surprised by a technological breakthrough which would annihilate our means of riposte. Moreover, we have to conserve the possibility of a more selective strike against military objectives.

Two tendencies clash today in the general staffs, on the choice of a new weapon system for tomorrow's deterrence:

--a mobile surface-to-surface missile

--a new long range bomber.

The Mobile Surface-to-Surface Missile

We know today that the credibility of our surface-to-surface missiles will be called into question during the 80-90 decade. The necessity of making provision for the replacement of this component needs no further demonstration, it answers moreover the objection, which can be made on the choice of the sole component "the all-eggs-in-one-basket submarine." Nonetheless, if the choice of the mobile surface-to-surface technique is not without interest, it poses serious problems for France which have no common measures with those encountered by the United States.

The exiguity of our national territory would require the sacrifice of entire zones for our national defense. The mobility of the missile would be thereby reduced, and the possibility of sustaining a heavier yield selective strike to annihilate the entire firing region would be increased.

Furthermore, economic factors must not be overlooked; to be sure, the essential purpose is to make our nuclear arsenal credible, but the mobile surface-to-surface (missile) compared with the air vehicle presents the major disadvantage of the unicity of its action. The option of such a defense system to replace the 2 strategic components the SSBS and MIRAGE IVs would not be economical in the long term, because it would be additionally necessary to develop a weapon plane in order to palliate both the Air Force deficiency and for the use of future tactical weapons.

The Mirage 4000

The security of France within its deterrent concept rests essentially on the existence of strategic forces which can represent a threat of reprisal sufficiently intolerable to lead a prospective adversary to renounce any aggressive undertaking. In this perspective, the "Mirage 4000" is perfectly adapted but it covers 2 levels of action: the tactical and the strategic.

The Mirage 4000 is, like its predecessors, a multivalent plane capable of an air defense mission, but also of a very long range air-to-surface mission. A plane of the Mach 2,2 class and above, its exterior load-carrying capacity is much greater than that of its offshoot the 2000 (8 tons compared with 5). Moreover, the very large volume of space available in this plane will make possible multiple evolutions of equipment, and in particular of RDI or RDM radar, which might be decided upon. Lastly, the range of this craft is much greater than that of the Mirage 2000.

At the moment of choosing a new mobile strategic component, the utility of such a craft must not be overlooked.

Political Choices, Economic Choices

The limitation of credits available for modernization and technological improvement makes the replacement of our 2 strategic components the SSBS and the Mirage IVs difficult, nay impossible. It is therefore necessary to orientate the choice towards a new vehicle which would combine all the advantages of the mobile missile and the airplane.

The Mirage 4000 equipped with an ASMP weapon system presents all the advantages required by the new concept of our deterrent.

--Mobility: the unpredictable movement of several craft in periods of serious tension would make a selective enemy strike unworkable. The mobile surface-to-surface missile would, on the contrary, require the militarization of a region and would thereby be open to a heavy yield strike.

--Tactical and Strategic Bivalency: its penetration capability makes it possible for it to carry out a "forward defense" in the event of a conventional conflict, and it could thus destroy military objectives inside the aggressor country.

--Choice of Decision: the order to return can be given at any moment by the political authority, which makes it possible to bring the element of threat into play.

--Multirole: this craft can play other roles than that of tactical or strategic component. Outclassing most of its component. Outclassing most of its competitors in the field of air superiority above the battle field, it would make it possible, once the mastery of the airspace had been obtained, to free up our Fls and Jaguars to support our troops in the field.

Faced with the threat which the increase of Soviet conventional forces caused to hang over Europe, a greater flexibility of our fleet is desirable, and we ought to privilege air defense and the air penetration vehicle. These weapons compensate the West's numeric inferiority, which we seem to be getting used to.

In a world in which developing countries are capable of creating very competitive conventional industries, only advanced technologies, and among them Aeronautics, offers to those who possess them a durable advantage in the penetration of foreign markets. This mastery of an advanced technology makes it possible to improve a foreign currency balance which is always threatened.

Our aerospace industry, by virtue of its quality and renown, opens the way to other industrial sectors.

At the end of 1978, the French aeronautics industry occupied, with 105,000 employees, 2d place in the world with respect to business volume. Our very diversified activity is based however upon a very limited domestic market and depends more and more on exports (53 percent in 1978 and nearly 60 percent in 1980). Since 1971 the cash balance of exports in this field has been very positive and covers more than a third of our oil import bill.

We must maintain the competitiveness of French air equipment in the fact of a competition represented solely by the USA. Any let up in this competition can definitively compromise the future of our industry.

This is why the choice of the "Mirage 4000" as a new strategic component is very important, for in addition to its technical specifications which make it the best carrier of a tactical or strategic missile, it is the most efficient plane of air superiority on the international market, and its export sales potential is much greater than that of the Mirage 2000.

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CSO: 3100

TFSC-TURKEY TRADE PROTOCOL SIGNED

Nicosia HALKIN SESI in Turkish 22 Jul 80 p 1

[Text] The trade protocol drafted as a result of work by the Joint Federated State-Republic of Turkey Economic Commission was signed at 1030 hours yesterday at the office of the prime minister.

Minister of Trade, Industry, and Cooperatives Taskent Atasayan signed the protocol on behalf of the TFSC [Turkish Federated State of Cyprus] while Minister of Trade Halil Basol, who came to the island to work on the commission, signed in the name of the Republic of Turkey.

It was mutually agreed to hold meetings of the joint economic commission on a yearly basis in the future rather than every 6 months as in the past. The next meeting will be held in September 1981 in Ankara.

Turkish Minister of Trade Basol gave a speech following the signing of the protocol and spoke of economic relations between the TFSC and the Republic of Turkey. He said, in summary:

"Our exports to the TFSC in 1979 rose by 38.1 percent over the previous year. Turkey's share of the TFSC's general imports was 39.2 percent in 1978 and climbed to 43.7 percent in 1979.

"Likewise, a relative development in the TFSC's exports to Turkey has been noted. In fact, while the TFSC's exports to our country totaled 150.4 million Turkish liras in 1978, the sum increased 88 percent and reached 282 million liras in 1979. The progress registered in trade between the two nations continued to take place in the first 6 months of 1980."

Basol, who provided information regarding the trade protocol that was signed as work of the joint economic commission ended, stated that the purpose of the protocol is to raise the economies of the Republic of Turkey and the TFSC to the highest level and to establish and develop economic relations so that it will be ensured that this goal is reached. Basol said that the protocol was drafted to include articles that can be implemented promptly.

While giving information on the essence of the protocol, Basol listed, in summary, the items that were agreed upon:

"Reorganizing to encourage exportation and transit trade; ensuring that there be continuous contact between the parties; putting the free port and region at Famagusta into operation quickly by giving priority to infra-structural investments; establishing a permanent exhibition and information center in Nicosia for the purpose of advertising Turkey's capacity for industrial products; arranging exchange visits for businessmen and industrialists; keeping in mind the TFSC's need for foreign exchange, encouraging actions that will make it possible to engage in reexportation of Turkish-made goods; continuing reciprocal actions that will assist the development of the cooperatives movement; continuing the practice of importing to the TFSC consumer goods which are sold through premiums and government subsidies in Turkey and basic goods required by industry and agriculture at prices and under conditions appropriate to the domestic market; conducting the necessary studies and taking measures to increase the capacities of industrial installations that are operating far below capacity and to put into operation those industrial facilities that are idle through the use of corporations and companies if necessary; cooperating quickly in order to best make use of the tobacco crop in the Karpas region; taking measures that are deemed necessary from the standpoint of the TFSC economy for air, sea, and land communications; simplifying and accelerating transit procedures required in Turkey for transit cargo entering or leaving Ercan and for baggage accompanying transit passengers; speeding up the necessary contacts and transactions that will ensure that the Turkish Cypriot Airlines will own its own plane by the summer of 1981; ensuring the necessary cooperation so that TFSC agricultural products from 1980-1981 will be carried to export markets on ships belonging to the Maritime Bank Maritime Transport Corporation; keeping in mind the cargo capacities, which are determined in advance, ensuring that Maritime Bank Maritime Transport Corporation transcontinental ships stop at the port of Famagusta; and cooperating with related organizations with procedures required for TIR [International Highway Transport] trucks bearing TFSC license plates that travel through Turkey."

In his speech, TFSC Minister of Trade, Industry, and Cooperatives Atasayan said that the protocol is of great importance.

Atasayan, who noted that the TFSC economy is developing with every passing day, asserted that the protocol that was signed will form the foundation of the TFSC economy.

Atasayan said that he believes that a number of economic problems will be surmounted with the protocol. He noted how fortunate he felt to see the Turkish committee on the island and requested that these types of visits take place more frequently.

Turkish Minister of Trade Basol, who arrived in the TFSC on 17 July to work on the Joint TFSC-Republic of Turkey Economic Commission, and the committee will leave the island by plane today.

During their stay on the island, Basol and the committee, in addition to the joint economic commission meeting, participated in the 20 July peace and freedom holiday ceremonies.

The minister and those accompanying him also inspected various factories.

11673

CSO: 4907

WEAPONS INDUSTRY DOES BOOMING BUSINESS WITH AUSTRO-TANKS

Vienna PROFIL in German 4 Aug 80 pp 31,34,37

[Article by Otnar Lahodynsky: "Tanks as Development Aid"]

[Text] The plans to export 100 Steyr Kueraassier tanks to Chile have led to warfare inside the SPOe. But the Austrian weapons industry has been doing good business with the South American military dictatorships for years.

The opening of the new school of mining at Oruro, Bolivia turned into a regular folk festival at an elevation of 3,700 meters. The red-white-red Austrian flag was flying from the roof of the "Escuela de Tecnicos en Mineria Boliviana" built with Austrian development aid funds and the assembled miners were cheering along with the honored guests: "Viva la Austria! Viva el Minero! Viva la Bolivia!" The 12th of May 1971 was a great day for Austria.

The Oruro miners, who barricaded themselves in the tin mines in the vicinity more than 2 weeks ago, will hardly be cheering for Austria ever again. The military junta which took power as a result of the 189th Putsch in Bolivia's history is using tanks to break up the last pockets of resistance still held by the miners. In Oruro, they used Kueraassier tanks built by Steyr-Daimler-Puch AG. 31 of the 50 assault tanks ordered had been delivered by the Austrian arms manufacturer by late May 1980. Some of them were put to immediate use in putting down demonstrations in La Paz. According to a report by the "Bolivian Committee for the Defense of Democracy" (Conade), the former Gestapo chief of Lyon, Klaus Altmann-Barbie, is said to have lent a hand in the bloody coup. A Mr Barbie passes himself off as a Steyr-Daimler-Puch representative in Bolivian business circles.

While the United States ordered an immediate halt to military and economic aid to Bolivia, there were discussions in Austria on prohibiting the sale of military toys.

And at that very moment, 21 Bolivian army technicians were playing soccer in Hirtenberg, Lower Austria. Because of the June elections, these non-commissioned officers assigned to the state-owned ammunition plant COPADENA had arrived late in Austria. They were to undergo a training cycle of several weeks at the Hirtenberger AG munitions plant; but when they got there, the plant was closed for its annual vacation. But as of last week, the Bolivians have been busily training. "It is a kind of development aid," Hirtenberger's general manager, Herbert Hadwiger says. "The French machine factory Manurhin, which owns 20 percent of our firm, asked us whether we could train these people in manufacturing cartridges."

No sooner said than done. As a matter of fact, the entire Austrian weapons industry is ready, willing and able to comply.

Bolivia has already expressed interest in more tanks and machine guns worth about half a billion Schillings. Meantime, the Steyr management is worried about the new Bolivian junta's paying up the debts outstanding from the initial contract; the more so, since not all Steyr arms deals are covered by an export risk guarantee and a prefinancing arrangement by the control bank.

The Chilean tank deal being hotly debated today was thwarted a year ago by chancellor Bruno Kreisky when he withheld government export assistance. But Steyr general manager Michael Malzacher did not give up so easily. By calling attention to the creation of new jobs, he made sure of the support of both OeGB boss Anton Benya and finance minister Hannes Androsch. Malzacher cannot understand why there are such noisy protests against the Chile deal. "We fought hard to get this contract against tough international competition," he says. "If we are not permitted to go through with it, I can no longer exclude the possibility of jobs being lost."

On 12 August, the cabinet is to reach a decision on the controversial arms deal. The contract itself has long since been signed, but the export license has not yet been granted.

On the island of Mallorca last week, the chancellor gave his grudging approval to the 2 billion Schilling deal. Stickler that he is, he asked the Pinochet junta for a written guarantee that the Austrian tanks would be used solely for national defense and not against the civilian population.

In ordering 100 Steyr Kuerassier tanks, six recovery tanks of the "Greif" type, three type 4 K 7 FA-6127 tanks and three type 4 K 7 FAPUE tanks along with hundreds of machine guns and submachine guns, the Chileans are using a Steyr arms deal transacted in 1977 as justification. At that time, Steyr had delivered 70 Kuerassier tanks to Argentina at the very moment Chile and Argentina almost went to war over a border controversy in Tierra del Fuego. Ever since, General Augusto Pinochet who says "a democracy must be bathed in blood from time to time" has been trying to obtain Austrian weaponry.

Meantime, the Chile deal is causing a split within the SPOe. While finance minister Hannes Androsch has sided with OeGB boss Anton Benya (who says that "no one raised a fuss in Allende's case") and with buildings minister Karl Sekanina on the jobs issue, the SPOe's left wing cannot understand how a socialist government can make tanks available to a military dictatorship which persecutes socialists. Thus, interior minister Erwin Lanc, majority leader Heinz Fischer and central secretary Charlie Blecha have come out against the deal. "If we let Pinochet have these weapons," Blecha says, "Austria's credibility in foreign policy matters is undermined."

And, for that matter, the credibility of the chancellor himself, who vowed in the aftermath of the bloody 1973 coup which toppled Allende that he would do "everything in my power to prevent support to the military regime." One year later, when Hortensia Bussi di Allende, the slain President's widow, visited Vienna, Kreisky promised her that "Austria will send no weapons or munitions to Chile."

In April 1976, Hirtenberger AG delivered 10 million percussion caps to Pinochet's army.

"Our firm first delivered ammunition to Chile in 1901," Hirtenberger general manager Hadwiger said after consulting the archives. "They have been living through a permanent crisis for the past 150 years. If we do not supply them with what they need, others will do so."

Steyr general manager Malzacher goes one step further. He considers exporting to Chile as "part of the obligation of a

neutral country to acknowledge the positive development of the political situation in Chile. In fact, Chile has developed markedly over the past few years. Present conditions there are no worse than in Argentina." As for Kreisky insistence on obtaining a binding commitment on how the Austrian tanks are used, Malzacher does not view that as an obstacle for the big deal. "A similar clause was built into the Argentina contract, too," he says. "I am sure the Chilean government ordered the tanks for national defense purposes."

The OeVP's military expert, Prof Felix Ermacora, who looked into human rights violations in Chile between 1975 and 1979 as a member of a UN commission, no longer gives bad marks to the Chilean junta. "Chile no longer is the United Nations' bad boy," he says. "I have not received a single report of tortures going on for some time."

But, as UN special representative charged with investigating the disappearance of Chilean citizens, Ermacora has thus far been unable to discover what happened to 650 persons known to have been arrested. Last year, a mass grave containing 300 bodies was found in an abandoned lime pit. "A Chilean examining magistrate is presently looking into this matter," Ermacora says.

The OeVP military expert even manages to take a positive view of the tank deal. "Having delivered hardware to Argentina already," he says, "this new deal with Chile may contribute to re-establishing military balance in the area."

The OeVP expert on development aid, Heribert Steinbauer, takes a dim view of worrying the arms deal to death. "If you sell tanks to a country," he says, "you cannot expect them to be used in place of trolley cars. Weapons, after all, are meant to be fired."

Steinbauer would like to initiate a thorough debate on domestic armament policy. "In the arms business," he says, "there is no distinction between good and evil. Areas of conflict can shift in the space of 3 months. There is no compelling reason for a small neutral like Austria taking part in the world-wide arms sales boom."

Steinbauer also wants to have Steyr re-examine its sales policies. "We must ask ourselves," he says, "what it is that Steyr can export world-wide over the long term and whether, for that matter, it has to be tanks or tank hulls." Last year, arms sales accounted for 15 percent of Steyr overall sales. At the end, Steyr's profit margin was provided exclusively by the firm's arms plant in Simmering.

All last week, Benya, Sekanina and Johann Heigl, chairman of the Steyr employee council were busy saying that arms deals offer a guarantee for jobs.

A study conducted by the International Metal Workers Federation IMB¹ proves the exact opposite.

In the United States, many metal workers lost their jobs in spite of increased arms expenditures. "A Pentagon budget of \$124 billion costs the machinemakers 120,000 civilian jobs. If the 85,000 jobs created by these arms expenditures are deducted from this figure," an IMB study found, "that still leaves a net loss of 35,000 jobs per year for the union."

Of course, there is still another way of looking at the problem: Anyone in favor of national defense must also be in favor of an indigenous arms industry. Otherwise, the armed forces would be cut off from their sources of supply in an emergency. Such an arms industry depends primarily on government orders or, in the last analysis, on taxpayers' money. An Austrian arms industry can operate somewhat more economically only if it produces greater quantities of equipment and has an opportunity to export its products.

But the foreign market is limited to start with. Almost all industrialized countries have an arms industry of their own. For that reason, only the so-called developing countries can be viewed as potential customers. But there are very few democracies among them. In the end then, there is merely a choice between somewhat more and somewhat less humane dictatorships.

Our own arms industry did not enter the international arms market until 5 years ago. This means that we do not have much of a choice as to potential customers. Very few of them can be said to be clean as a whistle.

In 1976, arms dealer and Luetgendorff confidant Weichselbaumer garnered an order for 40 Kuerassier tanks from the Tunisian army for Steyr. When Weichselbaumer later tried to ship 600 Steyr sharpshooters rifles complete with 400,000 rounds of ammunition to Syria, the secret trade was discovered by a watchful customs official and so collapsed.

1. Metal Workers and the Arms Industry. A study dealing with the effect of arms production on employment. IMB Central Committee, 18 and 19 October 1979, Vienna.

It took Steyr a year to get over this shock; but in January 1978, they landed a big order. As per sales contract No 775,291, the kingdom of Morocco placed an order for 108 Kuerassier tanks, 10 Greif tanks, 3 Kuerassier training tanks type 4 KH7PA-7, complete with spare parts and ammunition, worth 2.3 billion Schillings. The Moroccans paid 10 percent down in cash right away. For 2 billion, they took out a loan with Creditanstalt-Bankverein.

When the export license was granted¹, no consideration was given to the fact that King Hassan II had been waging a bloody desert war against the "Polisario" liberation movement in the Moroccan-occupied West Sahara. When the desert guerillas put four captured Steyr Kuerassier tanks on display for the assembled world press and several African states subsequently threatened to break off trade relations with Austria, Kreisky banned all further military aid to Morocco, basing his move on a cabinet decision. Just the same, 32 Moroccan soldiers were being trained at the Steyr tank plant in Simmering last May.

Another arms deal vetoed by Kreisky² even before it reached the contract stage was the delivery of an alleged 10 million units of the Steyr StG 77 wonder rifle to the PRC army.

The Russians had gotten mad.

"I can assure you and I am speaking for the entire cabinet in this matter," Kreisky wrote last month in replying to the signers of a resolution protesting the training cycle being conducted for the Moroccan soldiers, "that I am not happy about any of the Austrian arms export deals, but that I do consider them necessary both in the interest of national defense and of security."

2. The "540th federal law, dated 18 October 1977, relating to the import, export and transit of war material" provides that an arms deal "can be approved by the interior, the foreign and the defense minister after consultation with the chancellor only if the import, export or transit of such material does not run counter to the international obligations or foreign policy interests of the Austrian republic with special reference to its everlasting neutrality or is not objectionable on state security or military grounds or on any other grounds of an equally serious nature."

Meantime, the French news agency AFP is supplying Chilean newspapers with a great deal of information on the growing opposition to the arms deal in Austria. In the background, the French arms industry is waiting for the opportunity to sell its own AMX 13 tank to Chile and not just the turret that goes on Steyr's Kuerassier.

But when all is said and done, they may all be betting on the wrong horse-- which is another way of saying that nothing will move, unless the ITWU gives the word. The ITWU chief, rail unionist Fritz Prechtel, considers "solidarity with the oppressed Chilean workers" more important than trade with the Pinochet junta. "Just recently, the transport workers in Great Britain prevented a shipment of machines to Chile from going out. The dock workers above all are very sensitive in this respect. We will also prevent Austrian tanks from getting there," Prechtel says angrily. "Let them come here and carry their military equipment out on their backs, if they want to."

9478

CSO: 3103

GOVERNMENT TO LIMIT 1981 BUDGET DEFICIT TO 90 BILLION BF

Brussels LA LIBRE BELGIQUE in French 11 Aug 80 p 1

[Text] Hurray for vacations...No more punishment, or nocturnal marathons for the last 3 weeks of August. And next, we pass modestly over the fate the political school-boys will want to reserve for the budget, regionalization, social security, and...Professor Wilfried Martens.

Saturday the political session wound up in a final governmental "show." No handing out of prizes, however, at the end of it: for several branches, the return in September will see the organizing of two sessions.

Regionalization, definitely. But incomplete. There remains the problem of Brussels, about which one can predict here and now there will be many fine weeks of controversy, and nice opportunities for the present majority to trip up. Not to mention Comines and his Flemish school...

The Ways and Means budget has set figures showing a current deficit limited to 90 billion. But it will have to be carried out.

Social security will get its charter, in the words of the minister of social preparedness, Luc Dhoore. But the practical problems--the definition of the famous triangle--are [being] kept back with an eye to social coordination in September. Marvelous exercise in trigonometry which will doubtless be complicated by the predictable social grumbling.

Zeebrugge will finally succeed in getting a 1,750 m pier. But beyond the community implications of the subject, the Anversois are not happy.

Terrorist violence, finally, with the consequences of the terrorist attack of Anvers and the whimsical interest shown by the Jewish community in organizing self-defense militias, an illegal project, it goes without saying, and which has led the minister of the interior to strengthen protective measures.

The Budget

The budget was obviously the great political event of this last week. The basics of the problem were known: on the one hand expenses not easily manipulable because of "mandatory priorities" such as the public debt and the gargantuan share taken up in certain departments by unsqueezable expenses such as personnel costs; on the other, revenues which cannot be stretched endlessly.

The compromise finally came out of a last night of negotiations in the general policy committee which met Saturday morning until three o'clock and then some.

Let us see how it balances out:

Revenue: 1,104.2 billion, of which 1,065 billion is from taxes. The government expects from a step-up of the war against fraud a total of 15 billion. The minister of finance--about whom one can read on page 3--stresses in this regard that this objective will be attained without weighing on either direct taxes or new taxes. There will be changes nevertheless by the sliding of excise taxes over to TVA [Value Added Tax]--which is up--on energy products, which according to him should have beneficial results for businesses without weighing on household budgets.

Expenses: "Make do with what one has" and impose greater discipline on the different departments: such is the philosophy of the budget minister whom we also questioned--see p 3. The totals initially asked by the ministers have thus been reduced significantly, taking into account the rigidities that unsqueezable expenses represent.

Let us note in this regard that Mr Poswick will not get the 10 percent increase he had demanded for national defense, the budget for which will grow by 8.3 percent, with compensation however for energy expenses. The interested party himself was not present at the press conference which closed the work of the council Saturday in the early afternoon, but Mr Hatry and Mr De Croo responded in unison that his objective was to maintain an operational army and that the numbers proposed satisfied him on this point.

Investments: The program is maintained at the 1980 level--with recovery at 77.6 percent--and with a supplementary tranche of 5 percent which will be distributed according to "selective" criteria.

Deficit: Current operations show a negative balance of 90.7 billion, which, taking into account the balance of capital operations, leaves a net figure of 242 billion to finance, or 6.4 percent of the gross national product, compared to 7.3 percent in 1980. Mission accomplished, Mr Martens emphasizes, since the reduction over the current year will be greater than one [full] point of GNP.

Social Security

As predicted, the government will lay out its plan, not as a framework-law, but as a set of general principles, a "veritable charter for social security" in Mr Dhoore's words. But there remain obstacles to overcome, and the government will in the course of discussions offer amendments to its plan, taking into account the results of the social coordination.

Concerning Zeebrugge, finally, Mr Chabert announced that the length of the embankment for the outer harbor will be brought out to 1,750 meters, a decision which guarantees its safety for usage, he adds. Concerning the inner-harbor, we note on the other hand the decision to finish work on the sea-gate and to ask the advice of the national commission on port policy about future extension. There will however be no question of compromising the completion of the transport programs, both highways and internal waterways.

9516

CSO: 3100

GOVERNMENT COUNCIL DRAFTS 1981 BUDGET

Increase in 1981 Budget

Brussels DE STANDAARD in Dutch 11 Aug 80 p 1, 2

[Text] The Government Council approved on Saturday afternoon the draft 1981 budget and the additional credits in the 1980 budget. On conclusion of the meeting, Prime Minister Martens declared that the total current expenses for 1981 are estimated at 1,194.9 billion, compared with 1,110.5 billion (adjusted budget) in 1980, that is an increase of 7.6 percent.

Current receipts are estimated at 1,104.2 billion. Consequently the deficit in current operations would amount to 90.7 billion.

The net balance to be financed, which, for the most part, coincides with the expected increase in the public debt, is estimated at 242 billion for 1981, which gives a proportion of 6.4 percent, compared with 7.3 percent in 1980, with respect to the GNP.

As regards the net balance of the entire government sector (state, local authorities, social security) to be financed, Martens said vaguely that the reduction compared with 1980 will exceed 1 percent of the GNP, taking into account the amounts earmarked to cover the social security deficit. We learned it is assessed at 8.8 percent, compared with 10.3 percent in 1980.

The net balance of the state to be financed is made up of a deficit of 90.7 billion in current operations and a balance of 151.3 billion in capital transactions.

Pension Contributions

The percentage of increase of expenditures (7.6 percent) is just equal to the expected nominal increase of the GNP, namely 1.1 percent real economic growth and 6.4 percent inflation, and thus in spite of the increasing burdens of the public debt and the strong influence which the national budget is subjected to from continuing unemployment and efforts regarding social security. National defense gets 8.3 percent more and also obtains 750 million in compensation for energy consumption. The expenditures for the national debt, social security and pensions are rising higher than the average.

According to Martens, the budgetary proposals submitted by the departments were limited to the maximum, by a strict application of absolute zero growth for the nonindexed and nonpriority expenditures.

In order to limit the sharp increase of credits for pensions and to guarantee the payment of government pensions, a pension contribution of 2 percent is being introduced on all government sector wages. It will be applied on the occasion of increases in pay and pensions, in accordance with the rise of the consumer price index. The revenue from those contributions will amount to 6 billion next year.

For the credits which cover the allocations to the social sector, a total budgetary amount of 202.3 billion was earmarked for 1981, which is an increase of 12.7 percent. Moreover, the efforts connected with the welfare commitment of social expenditures are being continued next year. A billion is earmarked for this purpose.

In the framework of energy conservation policy, the restructuring of indirect taxation on energy production is being continued; the revenue from it will amount to 3.1 billion on a yearly basis (see elsewhere).

Investments

Total capital expenditures were estimated at 165.7 billion, compared with 164.6 billion for 1980. For 1981 a public investment program of 188.1 billion, similar to the cleared 1980 program, will be distributed in the same way.

Moreover the 1981 budget includes an additional amount of 9.4 billion, which is 5 percent of the 1980 investment program.

It will be distributed on the basis of a selective reorientation of government investments.

Cash payments, with respect to public investments, will be more than 10 percent higher in 1981 than in 1980.

Fraud

Total current receipts for 1981 were estimated at 1,104.2 billion, although the fiscal administration in its 18 July estimate only came up with 1,083.3 billion, which is 21 billion less.

The special tax on the excess profits of large enterprises (Sol II) will be retained next year; it will bring in 2 billion.

The fiscal revenue estimate envisages a more intensive campaign against tax fraud, consequently the increased revenue in 1981 is estimated at 15 billion.

Capital receipts are estimated at 14.4 billion.

1980 and 1981 Budgets (in billion francs)

	1980		1981
	Original	Adjusted	
A. Current operations			
--Expenditures	1,104.3	1,110.5	1,194.9
--Receipts	1,022.2	1,009.8	1,104.2
Deficit	82.1	100.7	90.7
B. Capital transactions			
--Expenditures	161.6	164.6	165.7
--Receipts	14.0	13.6	14.4
	147.6	151.0	151.3
C. Treasury operations	2.0	2.0	p.m.
D. Net debt increase	231.7	253.7	242.0
E. Net debt increase in percent of gross national product		7.3	6.4

1980 Deficit High

Brussels DE STANDAARD in Dutch 11 Aug 80 pp 2

[Text] Current operations of the 1980 budget will not show a deficit of 82.1 billion, as was announced on submission of the budget, but of 100.7 billion. Figures which the government made public yesterday make this clear. And the national debt will increase this year not by 231.7, but by 253.7 billion.

Adjusted current 1980 expenditures amount to 1,110.5 billion, that is an increase of 6.2 billion with respect to the original budget (1,104.3 billion).

According to Prime Minister Martens, the increases are attributed to the unavoidable additional credits for the national debt and the ministries of national education. Nevertheless, the additional credits are being compensated for, to a considerable extent, by a reduction of other credits.

Current receipts for 1980, are estimated at 1,009.8 billion, which compared with the amount recorded in the public revenue budget is a reduction of 12.4 billion. With respect to the original budget, this amount is the result of a reduced amount of fiscal revenue of 19.7 billion and an increased amount of nonfiscal revenue of 7.3 billion.

8490

CSO: 3105

F-16 COMBAT FIGHTERS TESTED AT SOLENZARA

Brussels VOX in French 31 Jul 80 pp 2-3

[Text] On Friday, 26 January 1979, the Belgian Air Force took delivery of the first General Dynamics' F-16 Combat Fighter, which came off the assembly line of the SABCA Company at the Charleroi-Gosselies airfield. This plane is used by the 1st All Weather Fighter Wing of Beauvechain and will very shortly equip the 10th Fighter Bomber Wing of Kleine Brogel.

Pilot instructors have been trained in the United States before being assigned an F-16. Now the task falls on them to instruct the other Belgian F-16 pilots. Maintenance personnel had to attend a training course in order to be recycled for their new job. The infrastructure and logistic supply have undergone the required adaptations in order to begin bringing the F-16 into use under optimum conditions.

Belgium has ordered 116 of these planes which offer unbelievable performance and multiple technical innovations. By means of the new fly-by-wire system, the verification of flying controls is entirely electronic. The aerodynamics work wonders; it is true that there is a genuine fusion of the fuselage and the wings. The F-16 offers matchless characteristics: reliability, stability during landing and take off maneuvers as well as in flight, an astonishing maneuverability.

In spite of the ease of the actual flight, the judicious use of the different components as a weapon system requires adaptation by the pilots. The main concern of the 1st All Weather Fighter Wing is to quickly become operational, although they are in a reconversion phase.

Once again, the Belgian Air Force laid down a challenge. The initial training of some of the pilots having been terminated, it remained to be proved that the F-16 could fulfill the hopes that had been placed in it from the operational point of view.

That is why Air Force [AF] Major J de Heyn, commanding the Operational Conversion Unit (OCU), AF captains R Verbist, operations officer, M Singele, Weapon Tactics Training Officer, and G Rasse, Deputy Flight Commander of the 349th Air Squadron, AF captains G Scheecmans, Weapon Tactics Training Officer of the Flight Group and M Van de Velde, OCU pilot, had the strenuous mission of carrying out a firing campaign at Solenzara.

Corsica is the southernmost French "department." In the 11th Century, the Isle of Beauty placed itself under the protection of the Pope, who entrusted the island to the Pisans; 300 years later, the latter were ousted by the Genoans who ceded Corsica to France in the Versailles Treaty of 1768. At the present day, Corsica is still steeped in these different cultures. Italy has influenced the architecture and the language of the island-dweller. France has endowed him with reforms. Corsica does not owe its reputation to its cheese, its delicatessen and its famous blackbird patee alone.

Like most of the sites, Solenzara, a small Corsican village bordering the sea, at the foot of the brushwood, has reorientated itself towards tourism. The place is known to members of the Belgian Air Force for its Eucalyptus Vacation Camp and for its French Air Force Base. It was on this military property that the first F-16 firing took place during May, 1980.

On Monday 19 May, mechanics from the base at Beauvechain arrived at Solenzara aboard a Boeing 727, while a little later, the pilots assigned to carry out the firing campaign landed there aboard their F-16's. That day was set aside for the installation of the men and equipment, a preliminary contact with the base and a general briefing.

The first firing period was set for Tuesday the 20th. The Air Force tested at that time a new target system. The material used heretofore for the F-104 G consisted of a nylon tetraplane net drawn by a towship.

The projectiles colored in different hues, one for each pilot, left a color mark at the point of impact. The result could be read by the impact number left on the panel or the tetraplane. In order to make possible more realistic air-to-air firing training (high speed, and great maneuverability of the towship), firing on an acoustic target was envisaged.

The Air Force therefore had recourse to the French company SECAPEM, which perfected an ultra-modern target. In addition to anchoring this target, the towship is equipped with a container housing a 500 meter cable. After release, when the cable is completely stretched out, the target splits into two sections. A tetraplane serves as guide mark for the pilot and protects an acoustic sounding line. The latter emits magnetic signals towards a receiver on the ground. Each time a shell crosses the wave length, it is instantaneously recorded by an analytical device. This makes it possible for an operator-technician to grade at any time the results obtained. The latter are immediately communicated by radio to the pilot. This constitutes an innovation, for the previous system did not make it possible to furnish this information as precisely or as quickly. It was necessary, on the contrary, to wait for the target to be brought back to the base and for a supervisor to count the direct hits. Now, after a salvo, the pilot knows his result and can, if necessary, correct his firing technique on the following passes.

Comparing the 2 types of target, Captain Singele gave some details. The former system only furnished overall results. The total result was known but not the points obtained during different passes.

The new acoustic target was very useful for the F-16 pilots. During the firing exercises it made it possible to establish that they had obtained above-average results.

9330

CSO: 3100

DECONTROL OF PROJECT ALLOCATIONS DESIRED

Nicosia HALKIN SESI in Turkish 17 Jul 80 pp 1,2

[Text] TAK--The day before yesterday, the TFSC [Turkish Federated State of Cyprus] submitted requests to Republic of Turkey officials at talks closed to the press that were held by committees from the TFSC and the Republic of Turkey. Yesterday, Minister of Economy and Finance Hakki Atun announced these requests to the press.

Minister of Economy and Finance Atun, who spoke during talks between the Republic of Turkey committee headed by Turkish Minister of Finance Ismet Sezgin and the TFSC committee chaired by Prime Minister Mustafa Cagatay, gave detailed information regarding application of the budget, measures being taken to increase revenues, and the status of investment projects within the framework of the 5-year plan in particular.

After presenting the TFSC's financial and economic situation, Atun requested help from the Turkish minister of finance in the following areas:

- [1.] To decontrol the investment project allocations that were proposed to be decontrolled during the 1979 fiscal year and the first 4 months of the 1980 fiscal year.
- [2.] To set at 1 billion Turkish liras the amount of Republic of Turkey aid by the addition of the 500 million liras proposed in the financing section of the budget in that, as a result of the agreement reached by the TFSC and the Republic of Turkey, the 1980 fiscal year budget shows 1 billion liras in Republic of Turkey assistance.
- [3.] The ability to attain the 7-percent growth rate envisioned in the plan is closely related to completion of the projects included in the 1980 fiscal year budget. From this standpoint, to ensure the systematic flow of necessary cash each month in the light of the report submitted to the chairman of the Republic of Turkey assistance committee.
- [4.] The KIT [Public Economic Enterprises] are extremely important to the TFSC's economic development, but do not function as they should because of

the lack of financing in particular. From this standpoint, to ensure that the capital that the TFSC has contracted from Republic of Turkey partners, which have a large share in the TFSC's economic development, be assigned to the KIT.

[5.] To intervene on the subject of creating a 500-million-Turkish-lira fund with the Republic of Turkey Agriculture Bank to be used in the purchase of produce and, particularly, for restitution.

[6.] In regard to fertilizer that will be secured from the Republic of Turkey Agricultural Equipment Board, to intercede so that the organization attached to the Republic of Turkey Agriculture Bank will be given a 210-million-Turkish-lira guarantee.

[7.] To ensure the Republic of Turkey's intervention to secure credit and foreign exchange guarantees for the joint purchase of aircraft..

[8.] To assist in obtaining credit from the Islamic Bank.

It was learned that Republic of Turkey officials have made positive contacts and that positive developments have taken place on the topic of ensuring the TFSC the opportunity to obtain credit from the Islamic Bank.

At this time, a Ministry of Finance undersecretary presented figures regarding deposits, investments, exports, and imports.

Cooperatives Central Bank Director Mehmet Esref, who attended the meeting, gave information on the recent contacts made in Turkey on the topic of purchasing chemical fertilizers on credit from the Republic of Turkey Agricultural Equipment Board and asked that the question of guarantees be solved by the Turkish Ministry of Finance.

Plane Purchase

At the meeting, the Ministry of Public Works and Communications undersecretary who represented the ministry described the efforts being made to purchase an airplane for the Turkish Cypriot Airlines and stressed the need for both foreign exchange and credit that this will entail.

Inflation

Following this, the Ministry of Industry and Trade secretary spoke of the effects of inflation, which is enveloping the TFSC as it is Turkey, on fixed-income and low-income persons in general and said that investments are being directed toward lifeless fields; that measures being taken along these lines that are appropriate to Turkey's own structure will not be valid in the TFSC; and that economic and social problems significant to the future could arise.

Relations with EEC

The last speaker at the meeting was the representative of the Ministry of Foreign Affairs. He gave detailed information about the latest contacts with and developments in the EEC and reported that economic aid has begun to be given the Greek Cypriot administration and, in contrast, when discussing top-priority projects to be funded with aid to the TFSC, the EEC insists on a sewage project.

Sezgin Gives Guarantee

At the close of the meeting, which took place in the most cordial of atmospheres, Turkey's Minister of Finance Sezgin gave assurances that the requests and proposals submitted by the TFSC will be evaluated, acted upon, and followed through continuously.

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FINN OLAV GUNDELACH, AMBASSADOR TO EC

Copenhagen BERLINSKE TIDENDE in Danish 27 Apr 80 p 4 (11)

[Article by Birgitte Ersbell]

[Text] Finn Olav Gundelach, our first and permanent man at the EC, a diplomat with a pronounced political flair, a commissary for the most sensitive areas within the community--agriculture and fisheries--has been nominated as candidate with big chances of becoming president of the EC Commission. Birgitte Ersbell portrays one of the biggest Eurocrats.

Rey, Hallstein, Ortoli, Jenkins--and Gundelach? Well, perhaps. It goes without saying that our Danish hearts will swell with pride if the Danish commissary for well over 7 years, as of 1 January, will climb to the very top of the EC and become president of the EC Commission.

The state and government chiefs of the EC will meet during the next few days for the scheduled summit meeting. The appointment to the presidency will not be among the main topics on the agenda in Luxembourg, but the subject will, undoubtedly, be discussed. The formal, final decision will probably be made at the next summit meeting to be held at Venice in less than 2 months.

Does Gundelach indeed have a chance of crowning his EC career with this important post? Definitely. Opinions differ as to how big the odds are. But the government has made up its mind, and the teacher's son from Vejle has himself gladly accepted the request to offer himself as a candidate for the most political job to be found within the EC bureaucracy.

Just here is probably the biggest problem. For even if there probably is no one like Finn Olav Gundelach, as far as knowledge of and familiarity with and ability to maneuver the gigantic apparatus in Bruxelles, and even if this is combined with quite considerable political flair, he is not a politician but a super Eurocrat. Therefore, neither he nor we need

to be disappointed if Giscard, Helmut, Maggie, Anker and all the others nevertheless agree that, as has always been the case so far, they will also this time have to choose a politician, preferably a former minister, to preside over the wise men at the top of the Berlaymont building.

Among Gundelach's advantages over many of such competitors is a certain knowledge of the implications of the presidency, how it can be exploited, but also a clear feeling where the sometimes quite hard-and-fast limits must be drawn.

Few Danes have like Gundelach been praised to the skies and been grossly abused at the very same time. Time and again, especially during his first 4 years in the EC Commission, did the media vie with one another in finding grand names for him. Finn Olav Superstær, Europe's Kissinger, Denmark's formidable Finn, the most prominent member of the EC Commission, and so forth. In fairness, it should be admitted that many of these names were primarily given to the 54-year-old Dane by British newspapers. Especially the esteemed journal, THE ECONOMIST, has been cultivating him carefully.

Not that Gundelach has ever had any problems in being recognized in his homeland, where, incidentally, he has not been living for now more than a quarter of a century. There have been proposals to make him both principal bank director and prime minister.

But it is also from here that the criticism has been the most severe, the irony the most biting and wounding. He may have taken it lightly when EC opponents have criticized him, for example, for not speaking Danish in the parliament. "From the start, I have considered it my job to be some kind of representative for the Danish population as a whole. My main purpose must be a sprinkling of Danish in the decision-making process," he once said in an interview, which has been used in the campaign against him. But his sometimes violent temperament has been displayed fully when the media have dealt with the frequent staff changes in his cabinet, or other, perhaps somewhat sensitive, subjects.

It is true that he now has got his fifth cabinet chief in a good 7 years. That one of them had to leave after a few months. But it is also true that the first one was supposed to stay for the first 2 years only, that Niels Helweg Petersen preferred, or could not do without, the domestic political waters, and that he now has got one who knows him well and admires him.

It is also true that there is quite a big club of former Gundelach co-workers, but that perhaps more than one of them today regret that they did not stay on. Whatever the reasons may have been for their departure, the club, if anything, resembles a fan club, for nearly all of them admire him.

Unsystematic, very tiresome, but very efficient, is the way in which a former co-worker in the cabinet characterized Gundelach's method of work.

He forces his opponents in negotiations to think along unaccustomed lines. He readily arranges compromises, which, on a short view, may be undogmatic, as long as the red thread is retained. This red thread which runs through everything he does is that things must work for the EC.

He has been a confirmed EC supporter ever since his first years as ambassador at the EC mission in the late sixties.

And his involvement is actually still the same. He is still as busy as he was then. But once one has been admitted to the room where he receives, at any rate, journalists, often with his feet on his desk as well as his indispensable statistical tables and the equally necessary other Gundelach belongings, a pipe and a cup of tea, one usually gets an hour's lecture on the EC, even if his secretary said that he only had got 10 minutes to spare.

Eurotitis, some people might call the almost missionary zeal which marks his argumentation and very categorical way of expressing himself.

"I may be too much of a Gundtvigian, but I have an enormous belief in the living word, the personal contact," he once said, and few Danes since the old Niels Frederik Severin Gundtvig have probably been able to hold an audience as spellbound as he does when talking to them.

When, in the early seventies, we were practically sending charter planes to Bruxelles to teach trade union people, EC opponents, Greenlanders, and so forth, about this new community which we were going to join, the height of the visits would always be the meeting with Gundelach, who, with great conviction, would explain the EC issues and convert even the greatest doubters.

But that was not the reason why he became a member of the EC Commission. Actually, it was not at all a Danish idea. But high-ranking people in the old EC of the Six let Copenhagen know that if Gundelach became the Danish member of the EC Commission, we would probably get agriculture as our area. And there was hardly anything we would rather want, so Jens Otto Krag crossed out the other candidates in his notebook. However, he stepped down, and Anker Jørgensen became prime minister, and Per Hækkerup then thought that he would be the one. He was so certain in his belief that he whispered it to those sitting around him prior to the famous press conference in the fall of 1972. The press conference during which Anker Jørgensen, apparently without having informed his cabinet member of his decision, stated that Finn Olav Gundelach was the government's candidate.

And he has remained its candidate ever since. Although he usually has had to be requested to accept the nomination. For he is apparently incredibly irresolute when it comes to his own future. Hence the recurring rumors of his becoming ambassador to Switzerland, to France.

For when it comes to it, he probably loves Bruxelles, and that is also why he will stay on for another term in the EC Commission, regardless whether

or not he becomes the president. Twenty-five years in international co-operation make it understandably difficult to stop.

Although it has got its price. For it has meant constant work. It is extremely rare for him to go to the theater or to participate in other cultural arrangements. If he does get a few hours to spare between the many and long trips and the nightly meetings, which have not become fewer after he has got agriculture as his area, he will devote them entirely to his family--especially to his two sons of 15 and 21. Despite his very special life style and the long absences, he has been and still is an unbelievably good father. And his sons are extremely fond of him. He has played table tennis and ball games with them, he has played the venerable chess game with them, he has been reading to them and has taught them a lot of history. Their vacations in the old schoolhouse close to Stadil Fiord in West Jutland are some of the best experiences they all have had.

And the hard work has meant a not too good health. A minor gastric ulcer has been bothering him at intervals. On the other hand, friends will say with a smile "that he looked just as ill" when they first met him at the Ministry of Foreign Affairs in the early fifties. The dark circles under his eyes which become very obvious when he keeps late hours have always been there.

Perhaps because it does not quite agree with him, but more likely because his work comes before anything else, Gundelach is a rare guest at diplomatic and EC parties in Bruxelles. Hardly anybody can remember having seen him at a cocktail party, and even at the recurring dinners for the EC Commission and the permanent representatives (the nine EC ambassadors) he has nearly always been conspicuous by his absence. And, of course, he arrived late for his own 50th anniversary reception.

There will be more of this if he becomes president. But he does know how to give parties, and how to do it well. The reception he gave as ambassador for the Danish ministers during the negotiations prior to our entry to the EC had style. And, in his memoirs, Jens Otto Krag remembers with pleasure Gundelach taking him out to dinner at Comme chez Soi in Bruxelles, perhaps the best restaurant in Northern Europe.

Gundelach is the most widely travelled commissary of the EC, and that caused him last year to be accused of being wasteful. In the course of a single year, he was said to have spent 700,000 kroner on travelling. It has never been entirely possible to establish if that figure is correct, but every single charter plane has, undoubtedly, been necessary.

A life of luxury and pomp and circumstance are foreign to his nature and seem irrelevant to him. But his driver during his time as ambassador nevertheless feels that it was a good thing that the ambassador finally got an official car for his successor to drive on official occasions. A handsome black Citroen DS, so that he would no longer have the feeling of disrespect in driving in cortege during state visits in the ambassador's private, quite bright red Saab.

And several women's hearts have been overflowing with sympathy and the urge to help when meeting this charming, somewhat boyish, man, whom they felt needed somebody to see to it that his suit would be pressed or that he would go to the hairdresser. But with his typically categorical way of expressing himself, he probably would reject this as sheer nonsense.

Which does not prevent him from having another standpoint tomorrow or next week. For it applies to Gundelach, if to anybody, that a person has got a standpoint until he adopts a new one. And he will defend both the first and the last one equally energetically. Many people will consider this a weakness, but if it is called flexibility, then it probably is his greatest strength.



Finn Olav Gundelach

7262
CSO: 8113

OPPOSITION BOURGEOIS PARTIES STYMIED AS CHALLENGERS

Copenhagen BERLINGSKE AFTEN in Danish 8 Aug 80 pp 13-14

[Article by Victor Andersen]

[Text] In the 1979 election the Christian People's Party received 80,000 votes, about half the attendance at normal Sunday services in the Danish State Church. But there had been 20,000 more votes in the election before that, in 1977. Thus the equivalent of many packed village churches had fallen by the wayside. The party now has the support of only 2.6 percent of the electorate, dangerously close to the cutoff barrier.

This exposed situation cannot help setting its mark on party policy. It is seeking its own. In other words it is twisting and turning to find ways of remaining in politics, searching for new issues that will create fresh voter support. At the same time there is an awareness that too little has been done to maintain the faith, hope and love of the voters who originally put the party in parliament. When these voters are being scrutinized by social theoreticians in studies filled with Marxist-Leninist literature from floor to ceiling they are referred to as the agrarian petit bourgeoisie.

A member of the agrarian petit bourgeoisie can be recognized by the fact that he does not like Anker Jorgensen's reconnaissance flights over a political landscape to the left of center. And he doesn't like the country to be run by the unions. He is also becoming concerned about shoving such a large part of the exchange debt onto generations as yet unborn. All in all he is not very happy at the prospect of Anker Jorgensen leading Denmark through the pearly gates of the future in all private and national economic matters.

This viewpoint is one the agrarian petit bourgeoisie in the Christian People's Party have in common with agrarian and urban petit bourgeois voters in the other parties usually designated as bourgeois parties--in other words the Liberals, the Conservatives, the Progressives, the Center-Democrats, the Single-Tax Party and also--even though at times

they turn up with needle and thread in an effort to attach themselves like lambs' tails to the Social Democrats--the Radical Liberals.

In all these parties there are special issues such as pornography and blasphemy, servility toward owners of cars and single-family homes, land tax fantasies, the idea of throwing 200,000 public employees out on the street, etc.

But if we ignore these special issues, all of which are unlikely to be resolved to the complete satisfaction of the parties concerned, there remain broad foreign exchange and employment problems. Especially the problem of how Denmark can avoid the economic abyss (in other words, foreign domination of our economy and our politics).

In matters like this it seems likely that all agrarian and urban petit bourgeois voters in the parties mentioned agree more with each other than they do with a Social Democratic Party dominated by LO [Danish Federation of Trade Unions].

When some of their party leaders despite this pursue a concrete policy that actually supports the Social Democrats instead of using their efforts to strengthen a bourgeois common front it is tempting to refer to these parties as Trojan horses within the bourgeois camp. They are in the bourgeois voting camp, profess agreement with the voter base there but in reality use their political efforts to strengthen the enemy outside the camp.

This happened for example when the Christian People's Party and the Center-Democrats helped the government over one more compromise hurdle this spring even though from a common bourgeois viewpoint this simply prolonged Denmark's economic suffering. And this is what happens when the Progressive Party gets a torrent of bourgeois votes but comes close to putting them on the shelf without using them for a concrete joint bourgeois move.

It is quite obvious why these parties have pursued such a policy. In the spring it was a matter of life and death for the Christian People's Party and the Center-Democrats to avoid an election. In an election they risked being wiped out by falling below the 2-percent barrier. The Progressives are also courting votes although on indisputably a higher level. The hard-line wing in the party will not go along with a bourgeois compromise policy because it is feared this would change the party's image in the eyes of voters and cost the party votes.

Thus anxiety about the cutoff barrier and hard-line tactics are making bourgeois Denmark today into something that doesn't disturb Anker Jorgensen's sleep any more than a fly bothers a horse.

Trojan Horses

To begin with things went well for the Christian People's Party. Born as it was in protest against Knud Thestrup's liberation of pornography and easing of restrictions on abortion, the party increased its seats from seven in the protest election of 1973 to nine in the 1975 election. Since then it has been a rapid slide downhill toward the cutoff barrier.

The explanation is that society has changed while the party for a long time stood still on its protesting street corner. The sight of a bare thigh on a movie poster no longer affects members of the rural petit bourgeoisie quite as much. People are getting used to it.

Jens Jorgen Thorsen's Jesus film did not arrive and Trille has stopped being blasphemous when she sings. Otherwise this sort of thing could have kept the party alive for several more elections.

To hold onto, recapture and acquire voters the party has hardened its position on its special issues as seen in Inge Krogh's anti-abortion propaganda. That probably scared off even more supporters. Next the party sought new special issues, striking a special blow for the protection of animals. This intense hunt for something that will boost the party has at times approached the grotesque as when the party's now-fallen prominent figure of recent years, Jens Moller, proposed that Folketing be moved to East Jutland. The party already had a good following among evangelical Christians in West Jutland. Naturally it would not have been unwelcome if the voting fold could be expanded with local patriots from East Jutland. But it still seems a little tricky and desperate. A party on the way down seeking a foothold before hitting the abyss.

But social theoreticians are not entirely without optimism on behalf of the Christian People's Party. They believe there is a bottom limit to the decline of the voter core. They feel the party's main problem is expansion since with its ethical foundation the party is cut off from gaining votes on the basis of more worldly issues. The battle for the wellbeing of the dog, the polar bear and the canary probably represented an absolute extreme.

Decline of Center-Democrats

The Center-Democrats, also born in protest in 1973, are also on a roller-coaster ride with a decline from 11 to 6 seats in the last election. The party's special issues have not exactly faded in public awareness and are unlikely to do so since it is strong medicine to promise people cheap cars and houses. But in response to the voter shift the Social Democrats have drawn closer to the center on the housing policy among other things, thus regaining many of the voters they lost to Erhard Jacobsen in the shock election of 1973.

Now he is scoring from the Liberals and the Conservatives. But how long will that last? With 3.2 percent of the votes in the last election and a subsequent loss of members he too is living in the shadow of the 2-percent barrier. Thus there was a great deal of disturbance in party ranks in the spring. The party's crown prince for a while, Lars Abel, municipal council member in Gladsaxe and deputy county manager in Copenhagen, broke loose and joined the Gladsaxe Conservative group. He had been a Conservative in the past. Organizational vice chairman, senior teacher H. E. Hillerup-Jensen of Olstykke, also left the party and was followed by quite a few Center-Democrats in Frederiksborg County.

In this weakened situation it was convenient, perhaps even vital for the Center-Democrats as it was for the Christian People's Party to support the Social Democrats in the Easter compromise, instead of encouraging a situation that might lead to an election.

This is what Liberal Henning Christophersen referred to somewhat cryptically but still clearly enough in a double interview with him and Poul Schluter published in the summer by Liberal monthly LIBERAL. Henning Christophersen said:

"I don't like to say unpleasant things about the motives behind other parties' entering into compromises. But I do feel that the reasons why the Center-Democrats and the Christian People's Party supported the Social Democratic government could not have had anything to do with the country's economic situation."

EC Issue Fading

The Single-Tax Party, which sweeps in and out of Folketing, seems to be attacked from two sides. Its most topical issue is fading fast, since indignation about EC relations cannot remain at a peak. EC is becoming a fact of everyday life just as obscene movie posters are. And there are other reasons for a voter decline in the Single-Tax Party. In the period when the Radical Liberals under Baunsgaard leaned to the right on defense, nuclear power and the environment the Single-Tax Party was able to make inroads into that party's voter support. Now that the Radicals under Helveg Petersen, Jr. have made a 180-degree turn on these issues (explaining Hilmar Baunsgaard's deep bitterness toward his old party), they are stealing back their old electoral thunder from the Single-Tax Party.

Finally, the Single-Tax Party must be suffering from the fact that its best known figure, Ib Christensen, now downgraded to political spokesman, must have the least television appeal of any party group chairman or political spokesman. If he could be equipped with a gunbelt instead of a set of teeth he could easily be mistaken for a machine-gun. And

attendance at voter meetings is sparse--though that is a problem Ib Christensen shares with many others. On Constitution Day this year Ib Christensen spoke against EC beside Grundtvig's grave, having walked there from Koge Station. It would not have taken much fishing skill in nearby Lellinge River to feed the multitude gathered there.

Radical Radicals Won Out

The recent history of the Radical Liberals began when Niels Helveg Petersen returned home from a tour as cabinet chief in Brussels for the Danish member of the European Commission, Finn Gundelach. His training there in high-level tactics was used on his return to Danish politics in announcing a close cooperation between the Radicals and the Social Democrats. Many voters however used this occasion to reason that they might just as well vote for the Social Democrats directly. At any rate the party lost seven seats in the 1977 election so there were fewer supporters to line the streets for the returned party boss with the good ideas.

There began to be talk of a dying party. But not after last year's election, when the party gained four seats for a total of ten. It was the real thing that won that election. The victors were the radical Radicals like Lone Dybkjaer and Tage Draebye who believe that "small is beautiful," that nuclear power is the work of the devil and that EC and guns are not worth rallying around. While the group has become younger it has lit tapers before the old gods. Horup has been turned into the patron saint of the party once again. As Ebbe Klovedal Reich might say, the mushroom period is over for the Radical Liberals.

But from the viewpoint of bourgeois Denmark the Radical Liberals have not become a more stable member of the family. They have turned around on the edge of the abyss and have become anxious about acting as a support party. And for the time being we must also assume that the Radicals are thinking more of themselves than of benefitting the total bourgeois cause. The egocentric mentality--so modern just now--has shown up in force among Denmark's bourgeois political parties.

Mirror Image of the Danish People

The catfish in the bourgeois creel is still the Progressive Party. While the Center-Democrats and the Christian People's Party have agreed on several occasions to act as support parties--namely when the narrow Liberal government was formed in 1973 and as participants in the bourgeois four-party coalition possibilities following the 1975 election and prior to the election last October--the Progressive Party has so far done one thing and one thing only. It has pursued a policy of protest and demonstration with the single exception of the savings talks during the spring compromise of 1974.

It is true that a conflict is raging in the party between the so-called hard-liners (Mogens Glistrup, Kirsten Jacobsen, Mogens Voigt, Kresten Poulsen, Leif Glensgaard and others) and the so-called soft-liners (Uffe Thorndahl, Jorgen Junior, Ole Pilegaard Andersen, Steffen Kjaerulff-Schmidt, Anker Tang Sorensen and others). So far it is impossible to tell how this conflict will end.

A young political scientist, Jane Wickmann, has made a thorough analysis of Mogens Glistrup's party which has not yet gained the widespread attention it deserves. It shows that in all respects the Progressive Party is the one most closely resembling the population. If the Danish people looked at themselves in a mirror the features would all match those of Mogens Glistrup's party. All other parties deviate from the average voter in some way or another--the Radicals have few voters in the armed forces, VS [Left-Socialists] has many voters in shipyard towns, etc. However in all respects--young/old, farmers/industrial workers, wage earners/self-employed, homeowners/tenants, etc.--the Progressive Party has an electorate that with few exceptions follows the profile of the population. One very clear exception of course is in the area of public employees. And the analysis also reveals that apparently the Progressive Party does not appeal to women. Not even half of its voters are women, only around 40 percent.

A party with its roots so evenly distributed over the political landscape seems to have found something central in the heart of the voters. And it cannot be assumed that the party with its reclining posture lacks concrete influence. It is true that a Monitor article--"Out in the Desert"--in BERLINGSKE TIDENDE charged that the big savings demands presented by Glistrup to the state sector have had the opposite effect. "He blocked a balanced political discussion and forced the other parties to go on the defensive," wrote Monitor. And later in the article he says, "From 1973 to date the Progressive Party has been the most important obstacle to the implementation of a number of changes in the very areas singled out for attention by the party."

Not all current social observers share this evaluation of the actions of the Progressive Party as a wandering through the desert. Professor H. P. Clausen of Aarhus has said: "I would venture to say that Glistrup was the most influential politician of the 1970's due to the scare he gave the old parties."

Progressive Party Will Survive Without Glistrup

We asked another current affairs expert, Professor Tage Kaarsted of Odense. He is the one of whom BERLINGSKE TIDENDE's Jens Kistrup wrote: "In through a side door steps a small distinguished gentleman with a friendly alert expression in his eyes. That is how History looks. With a capital H."

"Yes, the Progressive Party has had an influence," Tage Kaarsted said. "In my opinion the brakes applied in the last 7 years in the economic, cultural and educational sectors were due in large part to the danger signals sent out to all the other parties by the appearance and development of the Progressive Party. The Progressive Party competes not only with the bourgeois parties but also with the Social Democratic Party, as analyses of voter shifts starting in 1973 seem to substantiate. On the other hand it is clear that the other parties do not wish to admit this influence. In other words the Progressive Party influence does not extend to details arrived at through negotiations in committee but consists of a general anxiety about the Progressive Party."

While we were talking to Tage Kaarsted we asked him for his opinion of what the next 10 years have in store for the parties we have called here the Trojan horses in the bourgeois camp. It is by no means immaterial to the tasks bourgeois Denmark can perform in the political arena whether or not the Progressive Party can survive unscathed with a sentenced Glistrup, whether or not the Christian People's Party falls below the cutoff barrier, etc. Tage Kaarsted had this to say:

"It is clear that a colorful and creative speaker, in both a good and a bad sense, such as Mogens Glistrup is an asset to a party that somewhat broadly appeals to elementary psychological currents. But on the other hand it would be facile to say that the Progressive Party stands or falls on Glistrup's personality. The trends and social structures underlying the Progressive Party are so strong in my opinion that the party will have broad support regardless of what happens to Glistrup.

"It is just not going to be possible to change the conditions that created the Progressive Party at a rapid pace. I am thinking of the bureaucratization that has occurred in education, social services, etc., of high taxes and what have you. As long as these background factors exist there will be a Glistrup and his party and if he didn't exist he would be created. There is nothing strange about this. If we assume that it has taken approximately 60 years to build up the present welfare state its details cannot be changed in 7 years. If the present conditions in education, taxes, social services, etc. continue for another 10 years without any change in the system the Progressive Party will continue to get around 15 percent of the vote in my opinion."

Stay Home, Erhard

What does the professor see in his crystal ball with regard to the parties known as the cutoff barrier parties?

"The opinion polls show that the Center-Democrats are very close to the danger point. But as far as the Progressive Party is concerned the polls show the opposite. I think the Center-Democrats are much more

dependent on the colorful accents of their party leader. I won't offer the Center-Democrats good advice--Erhard certainly wouldn't listen to it anyway--but at times I have asked myself what he is doing down there in Europe where so many people closely resemble him while there are very few who do in Denmark. Obviously I think the Center-Democrats will stand or fall largely on the basis of how Erhard Jacobsen presents party policy to the Danish voters--regardless of the extremely professional political conduct of his daughter, Mimi Jacobsen, and Arne Melchior.

"Like the Center-Democrats the Christian People's Party is quite close to the fatal cutoff barrier but probably has a more faithful group of core voters who are greatly irritated by the bourgeois government's liberal legislation on abortion and pornography. For this reason I feel this party is less dependent on colorful leaders than the Center-Democrats. I would think the Christian People's Party has a solid core of voters swinging between 1.9 and 5 percent. But it will be quite important to have that extra fraction of a percentage point.

"The outlook for the Single-Tax Party is uncertain, as the opinion polls show. The risk run by this party is that the Radical Liberals have moved into a position that reduces the opportunities for the Single-Tax Party to steal oldfashioned radicals on the basis of EC and defense issues. But at the moment all the old parties are setting a course pointing back to their founding fathers. The Radicals, for example, have returned to the Stauning-Munch syndrome although this has not yet restored the party's old influence on such things as the formation of governments."

History with a capital H is through talking for now and the rest of us thank him. The next thing will be similar up-to-date portraits of the two old, responsible bourgeois parties, the Liberals and the Conservatives. Interested readers will have to keep their excitement under control until next week.

6578

CSO: 3106

TWO MODERATE-PARTY MP'S JOIN ANTI-EC MOVEMENT

Copenhagen INFORMATION in Danish 6 Aug 80 p 14

[Editorial]

[Excerpts] The People's Movement Against EC will apparently soon be getting support from an unexpected quarter. The new proponents of the anti-EC idea are no less than Liberal member of parliament Bertel Haarder and the chairman of the Center-Democratic group in parliament, Arne Melchior who have now taken up the banner against EC integration. Bertel Haarder warned against the danger that EC foreign policy will "threaten Atlantic ties to the United States" and he is concerned about the "mounting self-assertiveness in European foreign policy." (See INFORMATION, 4 August.)

Arne Melchior followed the "issue" up in the newspaper AKTUELT on 6 August, warning among other things that EC's independent initiatives in the Middle East "help widen the gap between the foreign policy efforts of Europe and the United States. The U.S. secretary of state and Danish and American commentators have expressed this view." He wouldn't also be referring to Bertel Haarder, would he?

The thing that worries both these gentlemen most is that the EC countries are not sufficiently willing to follow the American arms spiral. "Progress is in the air among supports of expanded EC cooperation," Haarder states. Since when has the Danish right wing been opposed to that? (And in terms closely resembling left-wing jargon.)

This has happened since it became clear that EC cannot be said to benefit American imperialist interests alone. Bertel Haarder has indicated clearly that oil is involved. For him this is an "infatuation with Palestinians and Arabs" and "it reeks of opportunism."

Haarder is probably right that oil interests are involved. There is the West European interest in guaranteeing oil supplies and their interest in not becoming involved in an armed conflict over oil. The

EC ministers have made it clear on several occasions that they would like to prevent these problems from being solved in a confrontation between the superpowers and we can't go on calling that bourgeois chicanery since it is a question of war or peace.

Bertel Haarder with an argumentation form closely resembling that of the People's Movement has started a debate over whether to have a European policy or not in a new, though peculiar, way. No, it's not so peculiar. It is cold war logic. Since the EC ministers have not yet been tempted to jump on the cold war bandwagon the right-wing cold warriors are turning against EC.

This was a big jump out into the big world for Bertel Haarder and Arne Melchior. And maybe there is not much reason to make so much out of these two gentlemen. Except that their statements are symptomatic of the current concern over EC among large groups of people in the Danish right wing. And this also raises the question of the attitude of the Danish left wing toward EC. The foreign policy reality has not been quite what we thought it would be when Denmark joined EC. Examples could be given when Denmark has turned to the right on isolated foreign policy issues. But in the long haul, the effort to force the United States into a "fifth detente," someone like Helmut Schmidt has lasted the distance against all expectations. Bertel Haarder has certainly noted that fact. Without supporting EC ourselves we would like to ask if the left wing has also noted it.

6578

CSO: 3106

NATION TAKES FIRST LOAN FROM SAUDI ARABIA

Copenhagen BERLINGSKE TIDENDE in Danish 10 Aug 80 p 1

[Article by Christian Brondum]

[Text] Denmark has borrowed foreign currency from an OPEC land for the first time. In July the nation took out a national loan from Saudi Arabia for 100 million Swiss francs and 80 million guilders, the equivalent of roughly 560 million Danish kroner.

According to the office manager of the National Debt Office, Niels Erik Sorensen, the background for the decision to take out a loan in Saudi Arabia is that the country wants to acquire as many borrowing opportunities as possible. He emphasized that the terms for the Saudi Arabian loan were similar to those available elsewhere on this kind of loan. The office manager said it is reasonable to think that Denmark will also seek loans in Saudi Arabia in the future and that we might borrow money from other oil-producing nations.

"This has been a very profitable deal, right in line with similar loans taken out elsewhere," Niels Erik Sorensen said. The loan extends over 6 years and can only be canceled by Saudi Arabia if Denmark fails to maintain the interest payments.

The interest on the Swiss franc loan is at 6 7/8 percent while interest on the guilders is at 10 7/8 percent.

The office manager denied that this was due to problems in getting enough money on the traditional international lending market. The Danish state learned earlier this year that Saudi Arabia was interested in direct state loans and it was decided to look into the terms which have been pronounced satisfactory.

In addition to this loan Denmark borrowed \$540 million and 80 million Swiss francs in July, corresponding to roughly 3.2 billion kroner.

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CSO: 3106

FAEROE ISLANDS HOPE OIL FIND WILL AID FAILING ECONOMY

Copenhagen AKTUELT in Danish 9 Aug 80 p 17

[Article by Lennart Weber]

[Text] Within a few months the government and the Faeroese legislature will start talks on ownership rights to the Faeroese underground territories. At the same time the first geological survey of this territory is being carried out on the Faeroes. It is hoped that this will provide more knowledge about the possibilities for finding oil around the Faeroe Islands.

The survey should show among other things whether the ridge in the Atlantic Ocean that lies west of Great Britain belongs to the Faeroes. If so there is a good chance that oil will be found on Faeroese territory. Oil has been found in many places on the British portion of this shelf.

But who owns the underground territory around the Faeroe Islands?

At the moment there is no doubt about this. Territory below the surface belongs to the national community. But the Faeroese want to change that. After the last election the present legislature of the Faeroes has pledged to pressure the Danish government to turn over these underground rights to the Faeroe Islands.

And the first preliminary talks have already taken place in the utmost secrecy between the Faeroe Islands legislature and the Danish government.

The Faeroe Islands come under the department of the prime minister. And officials from this department are working hard to prepare material for the government in cooperation with officials from the Energy Ministry.

The civil servant group expects to be able to complete its work within the next couple of weeks so that Prime Minister Anker Jorgensen on

behalf of the government can send the government's offer to the Faeroe Islands legislature some time this fall.

Legislature member Atli Dam--the "prime minister" of the Faeroes--told AKTUELT that we should not expect the Faeroes to embark on a new oil adventure within the next few years.

"If there is oil below the surface here it may not pay to extract it before 10 or 15 years have gone by because it is located at such extreme depths," said Atli Dam.

But the Faeroes are putting pressure on now to find out more about the underground area. A previously unsuspected oil reserve would provide greater security during the economic decline currently affecting the Faeroese fishing community.

Since rich oil reserves were found in the ridge west of the British Isles the oil companies are putting a lot of pressure on to receive permission to conduct drilling tests in the vicinity of the Faeroes. The British oil finds were made on the edge of the Atlantic ridge that points directly toward the Faeroes.

But so far the Faeroese legislature has rejected applications from the oil companies, over 25 of them to date. The Faeroese people would like to know more about their underground territory before they allow the oil companies to conduct drilling tests.

Dangerous Reef

There are two geological possibilities:

If the Faeroes are part of the shelf lying west of the British Isles there is a reasonable chance oil exists on Faeroese territory.

But if the subsurface of the Faeroe Islands is of volcanic origin there is almost no hope of finding oil.

Geological drilling tests beginning in the fall are expected to give an answer regarding conditions there.

But in the middle of all this England has thrown sand in the works.

In the center of the ridge in the Atlantic Ocean lies the granite ledge called Rockall. It is only 100 meters in circumference and projects 21 meters above the surface of the ocean. It is surrounded by dangerous rocky reefs. In 1904 the Danish transatlantic liner "Norge" hit the reef and sank. It is hard to get close to the ledge. It has only been

done five times in this century, in fact. In 1955 England occupied the ledge. The British flag was planted on top of the rock.

Since then Great Britain has claimed the sea territory within a 200 nautical mile area around the ledge.

Denmark in particular has sharply protested that claim. Great Britain's claim means that rich fishing areas would belong to Great Britain--as well as any oil found in the vicinity of the Faeroes.

For years the Foreign Ministry has fought for the Danish-Faeroese point of view at the Ocean Rights Conference. That point of view is based on the allegation that an unpopulated rock cannot form the basis for an extra expansion of Great Britain's ocean territory.

Utilization of Earth's Heat

The Ocean Rights Conference does not expect to have an international convention signed before 1 to 1 1/2 years at the earliest. AKTUELT has learned that the Danish-Faeroese viewpoint has been agreed on.

A few years ago the experts thought there was no hope of finding oil near the Faeroes. But new studies have shown that there actually is some likelihood of finding oil there.

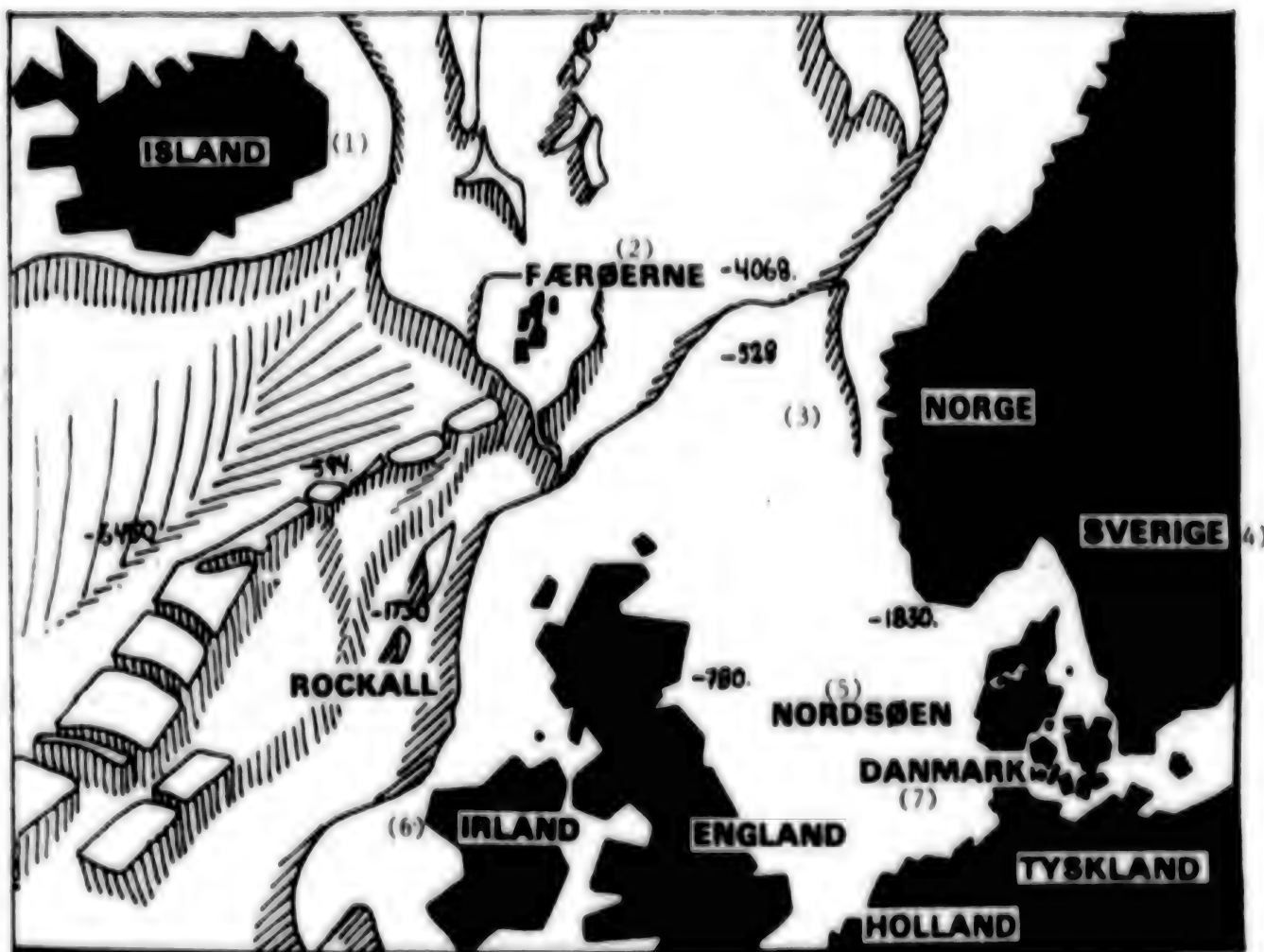
Atli Dam: "The only thing we know for sure today is that the possibility of finding oil has not been excluded. I can't go any farther than that. But the geological drilling in the fall should give us more accurate information. If it shows that the subsurface of the Faeroe Islands is made up of the same things as the Rockall plateau it is quite possible that oil will be found in the Faeroes.

The upcoming geological surveys of the Faeroes are being planned in cooperation with the Danish Geological Survey. Locally they are being led by state geologist Johannes Rasmussen. The first geological survey will be made in October near the town of Vestmanna. The next one will be done in the fall of 1981 in Sudero.

"We hope to find out more about what is underground as a result of these surveys," said Johannes Rasmussen. "Among other things we would like to know how thick our coal layer is and look into the possibilities of using the earth's heat."

Oil Companies Have Secret Knowledge

"And finally the surveys will give us information we can use to evaluate the possibilities of finding oil."



Is oil hidden in the rock formations in the Atlantic Ocean south of the Faeroe Islands (indicated by the diagonal lines)? The answer to that question is eagerly awaited in the Faeroe Islands. And in Denmark, Great Britain--and the oil companies. Figures on the map show ocean depths.

Key:

- | | |
|-------------------|--------------|
| 1. Iceland | 5. North Sea |
| 2. Faeroe Islands | 6. Ireland |
| 3. Norway | 7. Denmark |
| 4. Sweden | 8. Germany |

"I think it is important for the Faeroese community to acquire such knowledge. Bear in mind that there are numerous reports on the North Atlantic. The oil companies are familiar with all of them but we do not have access to all the information. Therefore it is important for us to find these things out so we will be in a strong position if we ever have to negotiate on drilling tests."

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CDU/CSU TO CONCENTRATE ON THREE DOMESTIC ISSUES AS CAMPAIGN CLOSES

Bonn DIE WELT in German 23 Aug 80 p 4

[Report by Manfred Schell: "CDU/CSU Putting Greater Stress on Domestic Policy in Election Campaign"]

[Text] Bonn--The CDU Federal Executive and the joint CDU-CSU Election Campaign Commission today plan to fix in Bonn with candidate for chancellor Franz Josef Strauss their election campaign line for the remaining weeks. In internal talks, the leading politicians of the CDU and CSU have agreed to pay greater attention than heretofore to three domestic issues--the securing of pensions, the effects of government indebtedness and family policy. Candidates have been issued corresponding stage directions, and the pending advertisement campaigns have also been coordinated accordingly.

Hope for a Lift

Before a decision is made about posters and speaker assignments, the session of the CDU executive in Konrad-Adenauer-Haus is to decide on how to deal with current political events. (This time Strauss was invited to the session--a rarity in light of the organizational separation of the CDU and CSU.) A resolution has been drafted concerning the strikes in Poland and the cancellation of the chancellor's trip to the "GDR." It contains the charge that Bonn has been basing its policy of detente too much on regimes and too little on the situation of people.

In talks with CDU/CSU politicians during the weekend, one could tell that the hope was that the latest events in foreign affairs and Germany policy would lend greater credibility to the CDU/CSU case for a "realistic" policy of detente, and thus give the CDU/CSU a lift in the election campaign.

Another point of consultation will be codetermination in the coal and steel industry. The solution pointed out by Strauss has not exclusively met with approval within the CDU/CSU either. Strauss had made his proposal after a talk with the chairman of the social committees, Norbert Blum. The Economic Council opposed it.

Since that time, Blum, particularly on the Rhine and Ruhr, has noticed a change in position on the part of the workers in favor of the CDU/CSU. In his opinion, the "enemy image" built up against Strauss is no longer valid. Whether the CDU executive will vote to endorse the Strauss proposal remains to be seen. Yesterday the trend rather seemed to be to stress the statement by the candidate for chancellor as a way out while emphasizing, at the same time, that Strauss himself regards a consensus between the Metalworkers Union and the employers as necessary. According to the people around Strauss, the candidate for chancellor has included the criticism from the workers camp in his calculations. The climate between Strauss and part of the employers in any case has become much cooler for some time; Strauss made no secret of that at the party congress in Berlin.

Question of Posters

The Election Campaign Commission, which is meeting in the CSU offices, will deal with the question of posters. The plan is that a poster is to be distributed nationwide showing Strauss together with Schleswig-Holstein Minister-President Gerhard Stoltenberg. Stoltenberg is to become deputy chancellor in the event of an election victory. In addition the only posters that still exist are posters showing Strauss' face together with that of CDU Chairman Helmut Kohl.

The speaker plan provides for Strauss to speak primarily at big events in North Rhine-Westphalia and in north German Laender. Compared with these occasions, his appearances in the south will be rare.

Furthermore it is to be decided whether the CSU film "The Opposing Candidate" is also to be shown in the CDU sector. The CDU has reservations about this, regarding the film as inadequate for reasons of "workmanship" alone.

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VOTERS STILL UNSURE OF SIGNIFICANCE OF PARTY LIST VOTE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Aug 80 p 4

[Report by "FK": "Lost Sight Of Again--Significance of Second Vote for Composition of Parliament"]

[Text] Frankfurt, 28 August--Before every Bundestag election, the parties have to grapple with the question of how to explain to those entitled to vote the significance of the first and second vote in the election procedure. Sometime after an election, voters regularly lose sight again of the fact that--with certain exceptions, such as the surplus seats [Überhangsmandate]--it is, of all things, the "second vote" that decides how many seats the parties will hold in the Bundestag. This despite the fact that since 1949 eight Bundestag elections have been conducted in accordance with these election procedures.

In other words, the parties have to make the same effort each time. As the table shows, in August 1976, not quite 2 months before the Bundestag election of 3 October 1976, 29 percent of persons polled thought that the first vote was more important, while 34 percent considered both votes to be equally important. One month later, through intensive enlightenment, the parties at least got to the point where 49 percent thought the second vote was the most important. But only after the election--in November 1976--did the percentage of those with the correct view rise to 55 percent.

First and Second Vote

Question: "In the Bundestag election, as you know, what counts primarily is how many deputies a party manages to get into the Bundestag. Do you happen to know which vote is crucial for how many deputies a party will have in the Bundestag--the first vote or the second vote? Or are both equally important?"

Aug 76 Sep 76 Nov 76 Jan 79 Jan 80 June 80

In percent

Second vote	13	49	55	23	9	8
First vote	29	16	14	26	21	15
Both equally important	34	23	22	23	52	48
Do not know	24	12	9	28	18	29
	100	100	100	100	100	100

Source: Institute for Demoscopy, Allensbach

This year we again have the familiar state of ignorance. In June about half of those entitled to vote considered both votes to be equally important as regards the composition of the Bundestag, with only 8 percent choosing the second vote and 15 percent the first vote. Also remarkably high again in June--29 percent--is the number of those who have no idea. This being the state of knowledge, the parties are thus still faced with a sizable bit of work.

Of course, there has never been a lack of effort in this regard. In the 1972 election, the Free Democrats, with the tacit approval of the Social Democrats, were able to explain the function of the second vote and the benefit of splitting the first and second vote accruing to the FDP. At that time the SPD had no objections to a certain number of "loan votes" for their partner. This time there is again a need for enlightenment, but rather to the effect that "every vote counts"--also as far as the Social Democrats are concerned. As the SPD leadership has pointed out repeatedly, they have "nothing to lend or give away." The FDP, on the other hand, as usual, is pleading for splitting one's vote and, for this reason, is interested in again making clear to the voter the significance of the second vote.

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LAMBSDORFF DISCUSSES CURRENT ECONOMIC, CAMPAIGN ISSUES

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 15 Aug 80 p 3

[Interview with Economic Minister Otto Graf Lambsdorff by Dietrich Zwaetz:
"We Will Manage in 1980"]

[Text] In the opinion of FDP Minister Otto Graf Lambsdorff, the trade unions are beginning to see the light, realizing the danger threatening the German economy from Japan. Otto Graf Lambsdorff shows himself to be a convinced supporter of a market economy.

RHEINISCHER MERKUR/CHRIST UND WELT: Have you already had to take your daily dose of trade union insults today?

Lambsdorff: The tone of abuse has decreased quite considerably in the past couple of weeks. Evidently the chairmen of the unions too have begun to think things over, and evidently they too have come to realize that the view of the regular worker of what I have pointed out as necessary differs from the view of the union executives.

[Question] Did you, as Mr Loderer has charged, "engage in flagrant and unambiguous electioneering" with your remarks?

[Answer] Any utterance made 3 months before the Bundestag elections is of course under such suspicion. But, as a rule, politicians will tend to paint the world in glowing colors 3 months before elections take place. At least that is what is imputed to them. And that I certainly did not do. I consider it to be my responsibility to draw attention to facts constituting risks regardless of when I perceive them.

[Question] Why are the unions reacting so hectically?

[Answer] I have the feeling that they very clearly see the facts that constitute risks. I have been told that after his latest trip to Japan Mr Loderer spoke to the executive of the Metalworkers Union and works councils in terms of virtual shock about his having seen automobile plants in Japan where there were hardly any workers any more.

[Question] There are plants in Japan where in the assembly of engines no human hands whatever are engaged in the operation on the first 500 meters of the assembly line.

[Answer] Of 250 robots reportedly engaged in the automobile industry world-wide, as many as 200 are located in Japan, according to my information. I can understand that the trade Unions--quite rightly--consider this a dangerous situation. Actually the only way in which I can interpret their reaction to my remarks is that they do not know any answer.

[Question] But these robots do away with jobs. Are the unions afraid of a similar trend as far as Germany is concerned?

[Answer] Quite evidently so. And, in my view, these fears are not wholly unjustified either. One ought to get together and discuss this soberly, exchanging views. And I would add that this call is not addressed only to the unions; it is also addressed to the plants and plant management. I am delighted that the chairman of the Chemical Workers Union, Karl Hauenschild, recently advocated a talk between unions, employers and government.

[Question] The automobile industry and production in the automobile industry are in direct competition with the Japanese. Will the automobile industry be able to continue as before?

[Answer] In the past few years, earnings have been very good particularly in the automobile industry. The market conceded every price increase. This led to a certain generosity concerning wage demands. I am under the impression that this game cannot go on like this.

[Question] How does the politician Graf Lambsdorff see himself 8 weeks before the Bundestag elections--as economics minister for conservative and socialist Germans, as an FDP politician engaged in a limited conflict within the coalition, as a conservative liberal who by now wants to, and can, only occasionally share in shouldering the policies of the SPD?

[Answer] The economics minister sees himself for a start as a liberal. And I would be grateful to all journalists if they did not constantly call liberal economic policies conservative policies. The conservatives have borrowed from the liberals. What I conduct is an archliberal economic policy. But I must point out again and again that German policy does not solely consist of economic policy. But I must point out again and again that German policy does not solely consist of economic policy. I have no doubt at all but that I could identify in my policies with part of what the CDU/CSU stands for, insofar that is still evident in terms of economic policy (for unfortunately this has become quite diffuse). But on the same day I hear words of approval of what I said in Japan from Mr Mueller-Herrmann, and from Mr Geissler exactly the same criticism as from Mr Loderer and Mr Vetter.

[Question] Mr Pieroth agrees with you.

[Answer] He agrees with me. To repeat a saying (a play on words in German), what we have here in the way of CDU economic policy is not concord despite differences; it is discord with but simplemindedness.

Precisely because of the foreign and Germany policy, in which I have shared, the coalition with the SPD, which I believe has stood the test, should also be continued after 3 October--of course, while maintaining a market economy position in questions of economic, fiscal and social policy as heretofore.

[Question] Precisely at this time there is a quite crucial obstacle which could jeopardize the cooperation of the coalition--the group proposal by the SPD in the Bundestag to insure codetermination at Mannesmann in the coal and steel industry. Is the SPD going to ram through its law before the elections?

[Answer] I am no prophet for the Social Democrats. This so-called group proposal, I will say, is a remarkable event. (It bears the signatures of almost all SPD deputies, unfortunately including a number of cabinet members and fortunately not including the federal chancellor). One must, however distinguish between procedure (which I do not underestimate in this case by any means) and substance. As far as substance is concerned, there has never been any agreement between the FDP and the SPD in the evaluation of parity codetermination on the pattern of the coal and steel industry. On the other hand, we always managed to reach agreement in practice. The FDP stand is what the deputies in the Bundestag decided unanimously: neither before nor after 3 October will the assent be given to a law insuring coal and steel industry codetermination in the Mannesmann case.

[Question] Surely you must know that some people in the CDU say that the bill to insure coal and steel industry codetermination was introduced only to give the FDP an opportunity to show in the election campaign what it stands for.

[Answer] I don't know whether these are in fact the tactical deliberations of Mr Wehner, with whom the initiative originated at the SPD party congress. The SPD, however, will give very careful thought to whether it now wants to amend, against the vote of the Free Democrats and together with parts of the opposition, the 1976 codetermination law which it passed together with the FDP.

[Question] Mr Minister, on the part of your coalition partner, with whom you evidently want to continue to work together, but also on the part of the trade unions, there is a clear inclination toward reducing the market economy policy in the Federal Republic and suspending it in some areas. Do you see yourself as the guardian of the market economic policy, as executor of the last will and testament of your predecessor Ludwig Erhard?

[Answer] I would not like to affirm that I feel I am Ludwig Erhard's executor. But the FDP and I unequivocally endorse a socially committed market policy. We have assumed and stuck to this position in the past years, and there will be no change whatsoever in this in future cooperation with the Social Democratic coalition partner.

[Question] If it should rain cats and dogs in energy policy, will you still be able to block off the governmental distribution machinery, a governmental allotment system?

[Answer] No, I certainly won't. If, in accordance with the ideas of the International Energy Agency, it should come to an international allotment system (and all that is, in fact, provided for in the IAE provisions), there will of course also be a national allotment system in the Federal Republic of Germany. We will not be able to escape that at all any longer. Until that point, however--in other words, before it rains cats and dogs--we will maintain market economy measures also for the solution of the energy policy question.

[Question] The real creators of our and international economic trends are to be found among OPEC. Have those gentlemen any idea of how rises in the price of energy will also rebound on the petroleum countries?

[Answer] That is sure to vary a great deal. The most important oil-producing country, Saudi Arabia, sees these connections quite clearly and therefore tries to influence OPEC accordingly.

[Question] How do you assess the new agreement between Venezuela and Mexico on the one hand and South American consumer countries on the other? The two most important oil-producing countries, though not deviating from the OPEC price, will help their neighbors out with certain credits.

[Answer] Such agreements also exist between Islamic producing countries and Islamic consuming countries, you know. It makes sense for there not to be a dual price, because that cannot be adhered to, and the wildest speculations would be staged. We have time and again put out a call for OPEC countries to become active in development policy to a greater extent and thus to help relieve part of the burden of the oil-consuming developing countries.

[Question] Mr Minister, what effect do you expect the increases in the price of energy to have on the German economy this year?

[Answer] At the present moment we are noticing some relief on the international petroleum markets. Nobody can predict how long that will last. If there are no additional new price increases, we will manage fairly well in 1980--well in comparison with many of our neighboring countries.

[Question] How high will the growth rate actually be?

[Answer] I think we will reach the 2.5 percent we mentioned at the start of this year. But we are seeing a slackening of the economy in this country. This is a consequence of production having become more expensive in this country, for one thing; another reason is that a large part of our customer countries are having balance-of-payments problems and cannot any longer act as buyers on the world markets as they used to do. Thirdly, the OPEC countries themselves have considerably slowed their investment activity since, in 1973-74, they say how much money was being spent unnecessarily as a result of a buying spree.

[Question] Do you share the opinion of Federal Bank President Poehl that the German balance-of-payments deficit may, after all, turn out to be a little lower than has been feared?

[Answer] We too see some mitigating signs and to that extent agreed with the position of the Federal Bank. On the other hand, we share Mr Poehl's opinion that this mitigating factor as far as the second half of 1980 is concerned must not, for example, cause us to have no worries about the longer term trend. The balance-of-payments problem is a topical problem.

[Question] What kind of solution do you envisage?

[Answer] First, a successful energy policy, continuing the "way away from oil." Our figures for the first half of 1980 show that we continue to be on the right track with our energy-saving policy; they are good. Secondly, increased efforts on the export markets--in other words, more foreign currency intake.

[Question] In other words, we are to sell more on the world markets? How?

[Answer] By being more competitive, by producing cost-effectively, by now defending the markets that we have conquered in the past 25 years, because others are in exactly the same position. Others too have balance-of-payments problems, others too depend on the import of energy and raw materials, and others too will try to become more competitive on the export markets and to compete with us. We certainly won't have an easy time conducting our economic affairs in the next few years.

[Question] The rate of inflation went down from 6 to 5.4 percent in July. Is there more behind that than the basic effect of the rise in the value-added tax in July last year?

[Answer] Yes. There is clearly more behind it than that. Consumer price rises at long last are tending to go down. This is also the result of a consistent stabilization policy of the Federal Bank and the federal government. I welcome this trend. It is certainly not yet enough, but it shows that the measures are taking hold and that we are on the right track.

[Question] What possibilities, do you think, are there 1) of stimulating the economy and 2) of maintaining a policy of stability?

[Answer] A few weeks ago we passed in the Bundestag and the Bundesrat a tax relief program for 1981 and 1982 which will yield a tax relief of DM 12 billion in 1981 alone. This is a perfectly correct move as far as the economic situation is concerned. The tax relief is justified for this reason as well--not only for reasons of tax equitability. I think we have thus definitely done enough for a start to provide the necessary stimulus to economic development.

[Question] The powder of the Federal Bank is also still dry.

[Answer] It continues to be dry. The Federal Bank faces the question as to whether it can cautiously relax its monetary policy in view of the apparent more favorable price trends. I can only repeat a recommendation not to have people, qualified or unqualified, constantly tell the Federal Bank and the Central Bank Council in public what they really ought to do.

[Question] Why not?

[Answer] As a rule, the result is that the Central Bank Council, which does not appreciate such public calls and lectures, does the opposite. I am amazed that some economic institutes, some trade union executives and one politician or another still have not learned that their public calls on the Central Bank Council achieve exactly the opposite of what they want. Some apparently never learn this.

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CDU DEPUTY CHAIRMAN DREGGER ATTACKS FDP TACTICS, SPD LEFTWING

Bonn DIE WELT in German 13 Aug 80 p 2

[Interview with CDU Deputy Chairman Alfred Dregger by Manfred Schell:
"Dregger: The FDP is a Variant of the SPD, the CDU/CSU the Alternative"]

[Text] WELT: The pollsters say that the election has already taken place--with the coalition as the winner.

Dregger: If one believes in the pollsters' infallibility, one might think so. But they too err and have often been mistaken. The CDU continues to bet on a victory.

WELT: Against this background, do you still believe in an absolute CDU/CSU majority?

Dregger: No one can of course guarantee that we will achieve in 1980 what we failed to achieve in 1972 and 1976. I would also warn against an all-or-nothing mentality--either a complete victory, with a change in government, or nothing. What is being elected on 5 October is the parliament. Thus a decision will be reached about the balance of political forces in Germany--something that bears not only on the question of who will be chancellor. Our election aim is an absolute majority in order to be able to accomplish better things, and that is the purpose toward which we are directing all our efforts. But being the strongest party in order to be able to prevent the worst--as in years past--also requires our full commitment. If one misses the surrogate aim because one does not consider the main aim to be within reach, one jeopardizes the future of Germany.

WELT: You say that the CDU/CSU must prevent the "worst." That is also a slogan with which the FDP is embarking on the election campaign.

Dregger: It is not our slogan. We want an absolute majority in order to be able to effect a change in the German political course which is urgently needed. If the FDP claims that it is its mission to prevent an absolute majority either of the SPD or of the CDU/CSU, it is comparing things that cannot be compared, because the alleged opposition of the FDP against the SPD is diluted by its readiness to form a coalition with the SPD--and only with the

SPD. The alleged third position of the FDP is actually directed exclusively against the CDU/CSU. While the CDU/CSU does not regard the FDP as its main opponent, the FDP in turn treats not the SPD but the CDU/CSU as its main opponent.

What the SPD and FDP shortly before the election are performing in the question of codetermination and industriousness is an exhibition fight with divided roles, with the SPD wanting to catch the workers and the FDP the self-employed and business. This is to get the FDP more than 5 percent of the vote, and the socialist-led coalition more than 50 percent.

WELT: Genscher recommends Graf Lambadorff to the voters as a second Ludwig Erhard.

Dregger: It is downright cynical for the FDP to recommend itself as preventer of the socialist danger although it is in fact only its coalition policy directed against the CDU/CSU that conjures up this danger.

Besides, the idea of a "dachshund taming a Great Dane," though perhaps original, is hardly realistic. If someone can prevent an SPD state under Soviet control, it is not the tiny FDP, of which one never knows whether it will survive; it can only be the big nonsocialist people's party, the CDU/CSU, without whose support the FDP--even if it does return to parliament--means nothing.

I can therefore only warn against the FDP trap. Whoever votes SPD votes for an accelerated SPD state; whoever votes FDP votes for applying the brakes on that route. The FDP is a variant of the SPD, the CDU/CSU is the alternative. A correction in the course cannot come from the variant; it can only come from the alternative.

WELT: The FDP has refused offers to enter into an alliance with the CDU/CSU, primarily by pointing to the person of Franz Josef Strauss. How important in politics are the like or dislike for an individual politician? The FDP says, for example, that Genscher and Schmidt can work together.

Dregger: The FDP rejected Kohl and Barzel just as it is now rejecting Strauss. In the Laender it rejected such variously structured politicians as Peter Lorenz, Richard von Weizsaecker, Erik Blumenfeld, Peter Neumann, Heinrich Koepper and Kurt Biedenkopf as well as me. This has nothing whatever to do with the person of the respective top candidate.

WELT: Do you consider the anti-Strauss campaign a liability in the election campaign, and what does the CDU/CSU intend to do to oppose it?

Dregger: When Rainer Barzel was candidate for chancellor, people grumbled about him; today many are nostalgic for him. When Helmut Kohl was candidate for chancellor, he was alleged to be provincial; today he is rated extremely high. Before Franz Josef Strauss became candidate for chancellor, he was the chancellor of many Germans' dreams; today there are but a few left who affirm this openly. All this shows how hard a time a middle-class party has to resist

the pressure of public opinion. What contributed to this is that modern technology has made it far easier to manipulate the masses. Any politician can be portrayed photogenically (with his forehead emphasized) or not photogenically (with his double chin emphasized). Of a 2-hour speech, one can report some particularly impressive sentences or sentences which, taken out of context, are bound to have a negative effect. CDU/CSU members and supporters can and must resist this manipulation by expressing their support for their candidates for chancellor all the more staunchly. Any retreat is interpreted by poorly informed voters or those who have not yet made up their minds as confirmation of the propaganda of the opposing side.

WELT: In your estimate, what will be crucial for the CDU/CSU in the coming weeks as far as people and issues are concerned?

Dregger: To make it clear to the voters what the alternatives are. They can choose between Strauss, his government team and the CDU/CSU, on the one hand, and Schmidt, his government team and the SPD plus the FDP, on the other.

Not even our opponents dispute the fact that our government team is tops. Even more important is the party base supporting the two candidates for chancellor. While occasionally there are also disputes in the CDU/CSU about people and individual issues, there are no fundamental differences of opinion. A Franz Josef Strauss government basically will not pursue policies different from the way Adenauer, Erhard and Kiesinger governments did, or a Kohl, Stoltenberg, Albrecht or Dregger government would. It is a different story with the SPD.

WELT: Could you be more specific?

Dregger: The SPD consists of two parties--social democrats who differ from us only in degree, and socialists who are closer to the communists than to us and increasingly are making common cause with them. The Socialists are on the way up in the SPD. What started at the universities and then spread to the Young Socialists has now reached the SPD and its Bundestag deputies. Schmidt is an opportunist with great acting ability. He portrays something which in fact he does not do. While he perhaps does not love socialists of the type of Brandt, Bahr and Wehner, he respects the limits they set for his politics.

WELT: Where and when did Schmidt have such limits set for him?

Dregger: When Bahr, alongside Brezhnev, began the campaign against the Americans' neutron bomb, which could have offset the Soviet superiority in tanks, Schmidt was silent and then upbraided the U.S. President.

When a united front of Social Democrats, orthodox communists and KBK [West German Communist League] people demonstrated against the Bundeswehr [Federal Armed Forces] in Bremen, Schmidt, while condemning the use of force after long hesitation, did not condemn the demonstration itself, despite the fact it was directed against the Bundeswehr and thus against the state and its instrument for insuring peace.

Schmidt cannot prevent the worst any more than the FDP can.

WILL: Where is the evidence that can convince the voters that the CDU/CSU is qualified?

Dregger: The most objective criteria for the voters are the results of CDU/CSU governments until 1970 (bearing in quite a major way the stamp of Strauss) and SPD/FDP governments since 1970 (bearing in quite a major way the stamp of Schmidt). In 1970 there was no inflation, no unemployment and virtually no new indebtedness. Terrorism was insignificant. Extremists did not have a chance--not in public service either. While the cold war was being deplored, no one had to be afraid of a hot one. All that has changed since 1970. Material prosperity has seemingly risen even further, but to quite a large extent it has been borrowed through debts incurred with the young generation. Our ability to meet new challenges has diminished substantially. It is time to take a new road.

WILL: People have been saying in Bonn occasionally that your relationship with Franz Josef Strauss has become cooler of late.

Dregger: This impression is erroneous. Our relationship is marked by the task that unites us and the cause that we serve. Differences of opinion in individual issues do not in any way change our agreement regarding our basic political concerns. I will do what I can to support Franz Josef Strauss in the election campaign and following assumption of power.

8790

CSO: 3103

FINANCE MINISTER PRESENTS OUTLINE OF 1981 BUDGET

Helsinki HELSINGIN SANOMAT in Finnish 20 Aug 80 p 11

[Article: "Pekkala Presented Budget Outline: Center Party Demands Money for Agricultural Fund"]

[Text] Money for the agricultural land use development fund must be increased perceptibly in next year's budget so that the difficult funding problem with respect to agriculture can be alleviated. This was the demand of the Center Party's Diet faction at its 2-day summer meeting, which concluded on Tuesday in Oulu.

The agricultural land use development fund is rapidly becoming quite controversial now that the government is to begin its budget negotiations at the end of next week.

The MTK (Agricultural Producers Association) has placed increased funds for its development fund at the top of the list of demands. The MTK is demanding 700 million markkas for the fund next year and justifies this by the fact that the agricultural policy committee was unanimous in its report last spring with respect to the management of agricultural capital.

This year 430 million markkas have been invested in the agricultural development fund. Finance Minister Ahti Pekkala (Center Party) has to our knowledge allocated 450 million markkas for this paragraph in next year's budget proposal.

"1982 Will Perhaps Be a Difficult Time"

The main subject dealt with by the summer meeting of the Center Party's Diet faction was next year's budget, for which the Ministry of Finance has prepared its own proposal.

Minister Pekkala, according to whom the chief goal of the proposal is the prevention of inflation, presented an outline of the budget to the Center Party faction.

The Finance Ministry's budget proposal proceeds from the fact that the state's expenditures will not increase realistically at all next year without the cost of managing the state debt. The ministry's proposal does not include the increase in the sales tax.

"Economic activity, which will continue to be relatively animated even next year, will apparently keep the average level of unemployment under 4 percent, and the time of growing difficulties seems to have been postponed until the fall of 1981 or until 1982," stated Pekkala.

According to him the Ministry of Finance has proceeded from a strict policy of impartiality in its budgetary work. However, it has not been pulled so tight that legislation would be required to cut expenditures. The budget proposal does not contain any reforms which would increase expenditures.

The cost of managing the state debt, however, will increase more than 700 million markkas. This alone will increase the final sum of the budget proposal by nearly 1.5 percent. The state's own investments will decrease next year since in Pekkala's opinion it is necessary to apply the brakes on them for economic policy reasons.

An Understanding of Vayrynen

The Finance Ministry's points of emphasis with respect to the expenditures of the proposal are research and production development, an energy policy, and a family policy.

"Family policy must be made more effective by means other than an increase in the sales tax," stated Pekkala. According to him nothing will, however, prevent a discussion of an increase in the sales tax within the framework of the budget if it is so desired. In Interior Minister Eino Uusitalo's opinion a strengthening of the family policy is not possible on those income bases which next year's budget proposal advances. This was also confirmed by Pekkala.

"Vayrynen was honest in his proposal. The family policy cannot be made more effective without changing the income bases," stated Uusitalo.

The expenditures in the proposal for national health work, hospitals, children's day care, and education are considered to be in accordance with the approved plan.

"Payment Increase at Normal Level"

According to Pekkala a complete inflation adjustment, which is calculated to be approximately 11 percent, is being proposed for the income and property tax schedules. A policy line favorable to families with children and low-income groups will be carried out in the deductions.

"The deductions will be 11 percent at the least, but in practice frequently more since figures will be rounded off," stated Pekkala.

Pekkala confirmed that the planned increases for manufacturing taxes, payments, and tariffs can be characterized as normal. The price of tobacco and alcohol will be increased.

In Pekkala's opinion the most alarming aspect in the budget proposal is the tremendous need for taking out loans.

"It would have been justified and desirable that the budget deficit and loans could be reduced this year and next year in proportion to the improving economic situation. Now we are probably going to become even more indebted, which means decreasing opportunities for taking out future loans and growing expenditures for handling current debts in a downward market," lamented Pekkala.

In Uusitalo's opinion we should continue to make preparations for dispersed investments. "The correct manner in dealing with dispersed investments is a transfer of duties and decisionmaking power. After this, one can then determine whether it is possible to transfer the institution or plant."

In a public statement to be made on Tuesday the Center Party's Diet faction states that next year's budget must support the government's and the Bank of Finland's measures to curb inflation, improve employment, and promote industrial production and the export industry.

According to the faction energy conservation and the use of domestic energy sources will continue to be emphasized in the budget.

In the public statement it is stated that war veterans must be given the opportunity to voluntarily accept early retirement. In addition to this, the discrepancies in the pension law concerning front line soldiers must be corrected, the pension for front line soldiers must be increased, and women entitled to front line service emblems should also be covered under the pension act.

According to the Diet faction the difficult funding problem for agriculture should be alleviated by perceptibly increasing funds for the agricultural land use development fund. The burden placed on family farms due to marketing costs and manufacturing taxes must be made lighter.

10576
CSO: 3107

SDP NEW ATTITUDE TOWARD KOIVISTO SEES COAT-TAIL EFFECT

Helsinki HELSINGIN SANOMAT in Finnish 14 Aug 80 p 11

[Article: "Koivisto Ahead in SDP Elections"]

[Text] The Social Democratic Party is raising the figure of Prime Minister Mauno Koivisto (Social Democrat), who is enjoying vast popularity, as the symbol of the SDP [Social Democratic Party] in the local elections campaign to take place in October.

The Social Democrats have observed that Koivisto arouses positive feelings in the minds of the people toward the Social Democratic Party and it has been thought that those feelings can be changed into Social Democratic votes. The SDP has also calculated that even though the election campaign will primarily deal with local issues, the general political situation of the whole country will also affect the election results and Koivisto is at the head of this overall policy.

The SDP's local election campaign will begin in Helsinki toward the end of August. The most visible promoter will be Prime Minister Koivisto. Other speakers will include Party Secretary Ulf Sundqvist and Interior Minister Johannes Koikalainen. Chairman Kalevi Sorsa will not be present.

Except for the ceremony to start off the campaign no campaign schedule has been planned for Koivisto. Koivisto is not himself a candidate for the Helsinki City Council.

At its meeting in Seinajoki on Wednesday the SDP's party committee discussed the results of the previous elections and the situation in the electoral districts as well as in the larger cities and other election campaign strategy. However, the committee did not make any special decisions concerning election issues.

The SDP was able to obtain Koivisto as a weapon in its election campaign already immediately after the committee meeting in Seinajoki. Koivisto attended the baseball game between Seinajoki and Alajarvi and received just as much applause as the Seinajoki team which won by a score of 5 to 2.

Government Faction Subject to SDP Rules

The SDP's party committee agreed on the preparation of a move change at Seinäjoki. It has been observed in the party that the Social Democratic Party has significant power in the government, but there is no mention of this in its rules. A work group will begin preparations on a point in which it will be officially stated that the party has a government faction and the limits of its power will be defined.

The existence of a Diet faction has already been written into the rules of the SDP.

The party committee also discussed the usage of water from Pyhajarvi, but a stand on the issue will not be taken until next week.

General Manager Positions Unresolved

It was expected that the party committee would take a position on the filling of the general manager position in the State Railways, but the issue was not discussed at the meeting on Wednesday. The Social Democrats have proposed Diet Member Jermu Laine (Social Democrat), State Secretary Teemu Hiltunen (Social Democrat), and Tampere City Manager Pekka Paavola (Social Democrat) as candidates to succeed Paul Paavela (Social Democrat). The SDP considers that the State Railways will naturally continue to belong to the SDP's sphere of influence.

The obstacle to Laine's selection is that he is an incumbent Diet member and Hiltunen's state secretary position will entail a heated struggle if Hiltunen transfers to the State Railways from the Ministry of Finance. There is not that much confidence in Paavola. A dark horse is being sought.

The Center Party's Labor Committee did not reach any kind of an agreement on Wednesday with respect to its own candidate for general manager in the vocational trade promotion administration. A successor to Seppo Oinonen (Center Party) is being sought.

At the top of the Center Party's list of candidates are Jukka Sarjala (Center Party) and Section Chief Hannu Ettala (Center Party). It is rumored that Section Chief Kalervo Siikala (Center Party) has already dropped out of the race.

The Center Party postponed its discussions of a general manager until next week. The SDP's party committee meeting will continue on Thursday at Seinäjoki, but the discussion concerning a general manager may be postponed to a later date.

10576

CSO: 3107

NEW ANTI-TANK WEAPON AROUSES INTEREST ABROAD

Helsinki UUSI SUOMI in Finnish 29 Jul 80 p 3

[Article: "Secret Test Firings "Extremely Promising:" Finland's New Anti-Tank Weapon in Demand Abroad"]

[Text] A new anti-tank weapon has been developed in Finland, and foreign countries are very much interested in it. Its manufacturer, Raikka Oy, is known to be awaiting a decision from the army on whether to purchase new anti-tank weapons before starting up an export campaign.

In the most recent issue of the Swiss military publication INTERNATIONAL DEFENSE REVIEW, a two-page article is devoted to the new Finnish anti-tank weapons. The respected paper prints mainly information about new weapons.

The Finnish army tested anti-tank weapons in the fall of 1979, comparing them with anti-tank weapons in use. According to the Swiss paper, the results are secret but extremely promising.

The new recoilless weapon gives its projectile a very high initial speed. Whereas ordinary anti-tank weapons penetrate a tank with a shower from a hollow projectile, the new type breaks through the plate with its projectile at a single blow.

The new anti-tank family was exhibited in March, 1980, at a weapons show for Asian countries organized in Kuala Lumpur, the capital of Malaysia. Foreign interest is described as extremely lively.

Raikka Oy's anti-tank system includes light one-man weapons and heavy anti-tank weapons, with calibers ranging between 41 mm and 150 mm.

30 Years in Development

The new weapons have been developed gradually over a period of 30 years. Efforts were increased in 1974, the Swiss paper says.

According to the paper, Raikka Oy has succeeded in perfecting a recoilless weapon based on a counterweight, the application of which in practice has turned out to be difficult.

The INTERNATIONAL DEFENSE REVIEW has learned from the manufacturer that they are only awaiting a decision by the Finnish army to buy one or two of the new anti-tank weapons before starting efforts to export them.

"Because of the simplicity of the weapons and because of political restrictions, the anti-tank weapons will probably be offered abroad for wholesale import by license and, in a few cases, for direct sale," writes the Swiss paper.

A large part of the article in the INTERNATIONAL DEFENSE REVIEW is based on information supplied by the producers themselves. Presentations of Finnish weaponry in the columns of the paper are very infrequent.

"The new anti-tank weapons are a possible answer to the burning question of how to arm infantries, reserves, and local groups with anti-tank weapons effective against the new types of tanks," says the paper.

Fine Crushed Steel as Counterweight

Raikka's anti-tank weapon uses mainly fine crushed steel as a counterweight. When the charge that sends the projectile off is fired, the counterweight holds the gases at first and then discharges them through the open rear end of the weapon. Because no strong recoil is transmitted to the weapon by the explosion, the anti-tank weapon can be made relatively light.

According to the INTERNATIONAL DEFENSE REVIEW, the best firing results have been obtained with the 120 mm. smooth-bore anti-tank weapon, which is 6 meters long and weighs 1,500 kilograms with its rotating carriage.

Shooting Distance 2 Kilometers

The initial speed of the winged tank-penetrating projectile is 1,500 meters per second. Its greatest effective range is 2 kilometers. In that case the flight time is 1.5 seconds, and the final speed of the spear-shaped lower-caliber core of heavy metal is 1,300 meters per second.

The Swiss paper compares Raikka's 120 mm. anti-tank weapon with the West German 120 mm. smooth-bore cannon, used in the Leopard 2 tanks. The initial speed of the Rhein-metal cannon with a corresponding projectile is 1,800 meters per second, and 1,500 meters is mentioned as its maximum effective striking range.

The cannon is 5.3 meters long and weighs 3,130 kilos, twice as much as Raikka's weapon, says the paper.

The 81 mm. type, which is fired from the shoulder, can be compared to the Swedish 84 mm. Carl Gustav weapon. The Swedish anti-tank weapon weighs 1 kilogram more, its initial speed is 80 to 100 meters per second less, and its muzzle energy 39 percent less.

EUROCOMMUNIST ILLUSION, EURO-SOVIET REALITY COMPARED

Paris LE FIGARO in French 13 Aug 80 pp 1, 4

[Article by Auguste Lecoq: "From Eurocommunist Illusion to Euro-Soviet Reality"]

[Text] The international activity of the Soviets--military, ideological, political, and economic--is such that exploration of the Soviet microcomm is disquieting. The news turns the spotlight on Red Army operations in Afghanistan and the resulting vicissitudes for Soviet diplomacy. Thus an event important to western Europe is obscured in the news. This is nothing less than the Kremlin's renewed hold over the communist parties which, under the label of Eurocommunism and with the Italian party as leader, seemed to wish to take, in Europe, a course different from that laid down by Moscow.

The first to be regained was the French party, and that after it had noisily manifested some few tendencies toward Eurocommunism in the Italian style. From that moment, its secretary general was to prove one of the most active vassals of the Soviet leaders. He was first delegated to his "friends" Berlinguer and Carillo, to try to thwart them and press them to follow his example.

His first mission ended in failure, which was reflected in his lone campaign against deployment of Pershing missiles in Europe, his isolation in approval of the invasion of Afghanistan, and finally the refusal of Eurocommunists to participate, in April 1980, in the Paris "European conference" which Moscow had charged him with organizing.

The positive aspect of these manifestations--at once cynical and grotesque, and to which should be added the political buffooneries at the Moscow Olympic--is that they have contributed to the enlightenment of those who still doubted the extranational imperatives which led the PCF to break up the Union of the Left and to desert the camp which its secretary general had joined by participating in the great Eurocommunist demonstration of 2 and 3 March 1977 with Berlinguer and Carillo.

It seems true, nonetheless, that the Soviets have renewed the initiative and taken aim at the Italian and Spanish U.s. In Italy the famous "historical compromise" is seeing its last days. For a long time now, the Kremlin has shown that it is fed up, and this feeling is loudly echoed in the grumbling of the militants closest to Moscow. Berlinguer himself is forced to revise certain of his positions. To read the PCI central organ L'UNITA is edifying on this point. The hardening is very clear. Not only against the Christian Democratic government, but also from warnings to labor unions, including the CGIL, which is the Italian equivalent of the French COT.

The reason is that the Italian unions, regrouped in their "Unitary Federation," still accept--under the impetus of the "historical compromise"--agreements with the government which were formerly approved by the PCI but are today condemned by it. The concessions made to Christian Democracy since 1976, as L'UNITA notes, are changing relationships between the party and the workers, and Berlinguer is hinting that PCI policy must be "rethought." Moscow is acting in such a way that the European policy of the PCI will be "rethought." Therein lies the whole problem.

The most committed to the path of Eurocommunism is not the Spanish Communist Party, although qualitatively it is the most critical regarding Leninist ideology and structures. The dispute with Moscow had broken out at the time of the Red Army's intervention in Czechoslovakia. The PCE was still in exile. It was a question of a "kept" party, whose pro-Soviet elements had no difficulty in provoking dissidence in opposition to the critical line defended by Santiago Carillo. The Soviets fought him hammer and tongs. Not an article in PRAVDA that dealt with Spain ever failed to denounce him!

Carillo long feared for his life. But since Marchais' reconversion the change has been complete. PRAVDA is once again "fraternal." The iron hand of the Soviets is gloved in velvet. It is true that the succession to Santiago Carillo, whose state of health causes anxiety, is open. Recently a PCE delegation--of course, without Carillo--went to Moscow. The conversation was "brotherly and warm." Everything was explained: no opponent will be liquidated, but a "comrade" will be replaced.

Thus mainland Eurocommunism comes resurgent Euro-Sovietism. It is a defeat for Europe and a victory for the Kremlin. In the Kremlin, the troika which supervises the "brother parties abroad" has very wide experience, and its political realism is remarkable. Its chief is Mikhail Gusev, a member of the Politburo and secretary of the Central Committee. He was Stalin's man of trust and remains that of Brezhnev, after having been that of Khrushchev. He has provided continuity since 1947.

The second member is Boris Ponomarev, an acting Politburo member and a Central Committee secretary. He was already in office before World War II, at the time of the Communist International.

The third, Vladimir Lenin, was believed to have appeared since 1900, as that the most famous worker had 20 years of participation. These are up-partioned as follows: Dneprov, the chief, is responsible for the worldwide communist movement; Ponomarev is in charge of parties in capitalist countries and Kharin, is more particularly in charge of communist parties in southern Europe.

That exceptionally able management firmly applies Leninist principles in the higher interests of the Soviet state by adapting them to the life of the Union the trend of international events. In our day, the evolution of the balance of world powers in favor of the USSR modifies judgments and behavior on both sides, friendly or enemy. The Soviet empire displays its military power which competes with that of the United States.

True, although we weakened the Soviet bloc, national oppositions are growing themselves, the communist world is no longer monolithic. The political difficulties reveal in this, forgetting that the communist world, such as it has become, depends more and more, day by day, on Soviet tanks.

An example: when the balance of forces was against him, Stalin used the Kuznetsov to have the Yugoslav Communist Party condemned. Proletarian internationalism worked fully for Stalin and against Tito, but Titoism remained. Its survival is a defeat. In another international context Khrushchev and Brezhnev, contemptuous of proletarian internationalism, very easily brought the Red Army to intervene against "brother parties" and "friendly countries." "Universalism" was successful. The same operation, impossible until recently, is now proceeding in Afghanistan.

Contemporary communist leaders no longer give any credence to the virtues of proletarian internationalism, or to the other nonsense in their propaganda arsenal. They know that only Soviet armor will enable them to seize and to keep power.

Anti-Sovietism, which cannot be dissociated from Kremlin efforts to detach Europe from the United States in order to draw it into the Soviet orbit, is approved by those who hope that Soviet supremacy in military power and energy resources* will lay down the law in a Europe cut off from its natural allies.

*The USSR has not only put itself in a position to hamper oil supplies from the Middle East; it has sought to make Europe and Japan dependent on its own energy resources, particularly natural gas. Thus West Germany is even now obtaining a quarter of its natural gas from the USSR, and if negotiations now in progress are successful its dependence will increase. The consequences of such a situation could be noted during the war of October 1973, when the USSR abruptly suspended its gas deliveries to West Germany, the largest energy supplier to the FRG, obviously in order to put pressure on Germany and lead it to end its support of Washington's pro-Israeli policy. (cf. *POUR LE MONDE INTERNATIONAL*, No 5, summer 1973)

COMMUNIST, SOCIALIST INFLUENCES ON FOREIGN RELATIONS, POLICY

Paris PROJET in French Jun 80 pp 715-718

[Article by Hugues Portelli: "The Foreign Policy of the French Left"]

[Text] For the last few months, the French Socialist and Communist Parties seemed to have been seized by a fit of international activism which contrasts with their incapacity to reach beyond their differences on the national level and to lift the French left from its paralysis, both in matters of parties and of trade unions.

The most important aspect of this activism is that it reinforces the opposition between the two parties. The leaders of the PS [Socialist Party] have launched two parallel initiatives: the first one consists in using to the hilt the implications of their belonging to the "Internationale Socialiste" (IS). This movement is slowly emerging from its lethargy under the leadership of its president, Willy Brandt, and strives, within the setting of the present international crisis, to bring about the tools of a compromise for the use and between the superpowers in order to preserve peaceful co-existence. For this purpose, the IS strives to elaborate a strategy which could be acceptable on one hand to the European countries--and particularly these countries where the left is in power or retains powerful influence--and to the nonaligned countries which resist the influence of the USSR and of Cuba. This policy has the advantage to suit both the IS and the SPD: the latter carries a discourse within the IS, which it cannot carry at the head of the FRG, within a joint government with the liberals.

This recourse to the IS explains both the recent conferences held in Vienna and in Santo Domingo where Francois Mitterrand had taken the limelight and the PS convention in international relations (16 April 1980) in which the final resolution maintains a refusal to go back to the politics of the ideological alliances, while stressing its loyalty to the Atlantic Alliance, loyalty which should not, however, lead to the turning of the alliance into an "instrument" of U.S. policy.

A Strategy of Peaceful Coexistence

This is a paradoxical situation: the PS becomes an ally of the SPD within the social-democrat agenda, whereas the distinction between party and state leads, on the governmental level, to the fact that Chancellor Schmidt is the political friend of Mr Giscard d'Estaing.

The same problem exists at the European level, in which the international activity of the PS has been more intense recently. Like the SPD, the PS fights for the idea of an "immediate and balanced moratorium" on the new European strategic missiles (SS 20 and Pershing) and proclaims the necessity of the Madrid conference (a scheduled follow-up on the Helsinki and Belgrade conferences; Madrid will also be the seat of the Socialist International convention next November). This policy aims at avoiding that Europe becomes the battleground between the USSR and the US and to establish the European left as the major proponent of this drive; this policy also fits the interests of the Eurocommunist parties (Spain and Italy Communist Parties) and of the Communist Parties of Eastern Europe which are more or less independent from Moscow.

The Mitterrand-Berlinguer or Brandt-Berlinguer meetings of last march had no other purposes: they relate to a number of communist or socialist parties which have based their national and international strategies on the hypothesis of a long-term peaceful co-existence between the East and the West. In France, one of the reasons for which Francois Mitterrand has built and defended the Alliance of the Left is precisely because it became viable and credible thanks to the USA-USSR coming together and its beneficial effects for the French Communist Party. In Germany, the SPD had based its Ostpolitik on peaceful coexistence which allows it to re-open for the FRG the way to its traditional relations with Eastern Europe and would eventually permit in the long-run the German reunification. In Italy (and to a lesser degree in Spain), detente was the absolutely necessary condition for the acceptance of the rise to power of the communists, either alone or within an "historical compromise". At last for Romania, Yugoslavia and the Eastern European countries which have kept a prudent silence concerning the invasion of Afghanistan, detente was the only way to start their relationships again with the West and to open the Soviet visa.

This explains the multiplication of bilateral meetings, in which domestic and international politics are tightly intertwined, and which aim at creating an informal pressure group, with lead-ins both in the Atlantic Alliance and in the international communist movement, that would be powerful enough to convince the superpowers that they would rather renounce a dangerous course of international policy.

Of course, in these meetings, the immediate benefits for domestic politics are not negligible: the Berlinguer-Mitterrand meeting, embarrassing both the Italian socialists and the French communists, has proven it well. But this is not the most important: the goal is still to force

the two superpowers to step back and to return to the international situation of the seventies.

The Division of the Communists

In this matter, the game of the PCF (French Communist Party) is unilateral: its total submission to the Soviet Union weakens greatly the Eurocommunists whose negotiating power is questioned. Above all, by calling together on the 28th and 29th of last April a convention of the pro-Soviet parties--the Spanish, Italian, Yugoslavian and Romanian communist parties, among others did not go--the PCF plays in the present conflict a precise function: by backing the Russian strategy which claims that there is no "third way" beyond the unconditional submission to the USSR and the obedience to the Americans, the communist party pushes for a dichotomy of the European left behind each of the superpowers, shoving the socialists in the Atlantic Alliance and the communists in the Warsaw Pact. By doing this, and for reasons of domestic policy, the PCF is even lead to go beyond the Soviet positions.

The Russian communists, within their effort of pressure on the Europeans against the U.S., would indeed like to widen their support base. Naturally, the unconditional backing of the pro-Soviet communist parties is useful to them, but they do not intend to renounce completely to the Eurocommunists neither to bring about a rupture with the IS: it is revealing that, during the Paris convention, the soviet representative demonstrated his happiness for the contacts with the CPSU and the IS on the subject of disarmament and has used the idea of the Italian CP to widen the "fight for peace" to allow in the social-democrats, even the christian-democrat movements, even if the unilaterally pro-Soviet aspect of the content of this "fight for peace" makes this appeal quite symbolic⁴⁴.

Thus, three positions oppose one another today: the first, around the SPD and the Italian CP, defends an autonomous strategy for return to the peaceful co-existence and even to go beyond the East-West dichotomy. The

* Were also absent of Paris the Communist Parties of G.B., Ireland, Sweden, San Marino (naturally also Albania); the Belgian and Swiss Communist Parties sent only observers who refused to sign the final agreement. Only the communist parties from Eastern Europe (USSR, Poland, Hungary, Czechoslovakia, GDR, Bulgaria), the PCF, the Finnish, Greek, and Portuguese CP as well as nine small western European pro-Soviet parties have signed the document.

⁴⁴ The final appeal contains seven points: the opposition to the NATO cruise missiles, the demand for the signature of the SALT II agreements, the hopes that the MBFR negotiations in Vienna re-open, the fight for the meeting in Warsaw and for a European convention for disarmament in Europe, the application of the decisions of the special UN session on disarmament in Europe, the application of the decisions of the special UN session on disarmament, the utilization of the funds thereby saved for development and hunger programs. This appeal does not mention the soviet missiles nor Afghanistan (...which was not on the agenda).

second fights for a return to the same situation as in the fifties: this is the case of the right wing of the social-democrats but mostly of the inflexible communists who, like the PCF, favor isolation and a tactic of the "movement for peace" type. The Soviet Union officially backs its unconditional partisans, but its European strategy seems to lie in the middle road, for it does not wish to terminate, by cutting off bridges with the IS and Eurocommunism, any possibility to keep in touch with the forces which could one day defend a neutralist solution in Europe.

The French in the Second Place

The examination of this diplomatic whirlwind between parties allows to recognize that the role of the French parties is relatively secondary: the PS appears as a bright second fiddle to the SPD without the means to use it, since it depends on it financially and that the German social-democrats may play the Mitterrand-Rocard animus. It is also revealing that the Berlinguer-Mitterrand meeting was only following the meeting between the general secretary of the Italian CP and the president of the SPD (and of the IS). Regarding the PCF, its too zealous backing of the USSR had only resulted not only in isolating it in Europe, but also and more importantly to make it lose all opportunities to play its own cards.

The SPD benefits both from its hegemony over the IS and over the union of the socialist parties of the EEC, and of its existence in controlling position of the first European power: the Italian CP, first CP of Western Europe, tries to band together not only the Eurocommunist forces but also the CP independent from Moscow (which explains the reopening of regular consultations with the Chinese and North Korean CP*); between the two, the French socialists and communists appear as political forces of second level, weakened by their domestic political impotence.

It still remains that by contributing to accelerate the contacts within the Euro-left, the PS plays the last available card. Since the sectarianism of the PCF blocks its way to power, it has no other choice than to strive for a constitution of a union of the left within the EEC, opposite to the conservative bloc which controls the European Parliament. For Francois Mitterrand this Euro-left would be the political wing of the European Confederation of Trade Unions and would allow to back the PCF to the wall in the same situation that the CGT is in now: either to accept a regrouping of the European left--and indirectly to return to a strategy of the union of the left in France--or being definitively isolated. The present relations between the parties show that they have all the more chances to be heard that they carry clout in the domestic political life. It is not a random affect that everything turns around the orbit of the first socialist and first communist parties of Western Europe. The PS and the PCF may wish to weaken each other, while trying to reinforce, with the loss of the other, their domestic influence; but

* The visit of Enrico Berlinguer to Peking (April 1980) has shown the normalization of the Chinese and Italian CP relations, on the basis of an implicit autocritique of the Chinese CP and on the basis of an agreement on disagreements over the question of international relations and the role of the USSR.

they would not be able to catch up soon with the Italian CP and the SPD. Their only chance to play an international--and national--role is, all considered, to return to the ways of the union of the left. But are they still able to do it?

9481

CSO: 1100

GISCARD ADVISER MICHEL PINTON INTERVIEWED

Paris LE POINT in French 25 Aug 80 p 83

[Interview with Michel Pinton, the UDF's delegate general, by Dominique de Montvalon; date and place not given]

[Text] Michel Pinton, a 42-year old Ecole Polytechnique alumnus, is not only the UDF's [Union for French Democracy] delegate general. He is also one of the men VGE [Valery Giscard d'Estaing] consults regularly. In the following interview, Pinton tells us how he views the coming presidential election campaign.

[Question] A year ago, the third anniversary of Raymond Barre's appointment as prime minister was greeted with a veritable outcry of indignation. Since that time, however, some of his critics have taken a more moderate view. Does this mean they have resigned themselves?

[Answer] Definitely not! I believe it is rather because of the increased awareness of a growing number of Frenchmen. They now understand that the task undertaken by the prime minister could be reliably assessed only over the long run. They now realize that this difficult task is a necessary task. And they need only see where the French franc stands today to recognize that Barre has not failed, because soundness of the franc is the cornerstone of his policy.

[Question] Nevertheless, during the presidential election campaign would it not be in VGE's best interest for him to dwell more upon the results of his foreign policy?

[Answer] You are assuming that VGE will be a candidate. The responsibility for such an assumption is strictly yours. In any event, your reasoning is false. Barring the case of a major international crisis, foreign policy is never a decisive electoral argument in our democracies. Furthermore, why should we fear the results of VGE's domestic policy during his 7-year term as president? Of course, everybody knows that many persons in the UDF would have liked--and continue to do so--to see the government

do much more in the way of social programs. Yet this fact will in no way inhibit us. When the time comes, we shall be able to remind voters of everything we have done, particularly for the elderly and disabled, or else, in another field of activity, for the relocation of industries and for decentralization. The truth is that in 7 years France will have made a real leap forward toward the society of responsibility which is our plan, a society that must secure for our country the means of its independence and for each Frenchman the means of controlling his own existence.

[Question] Judging from the way Frenchmen are currently grumbling, they do not share your optimism.

[Answer] The fact that Frenchmen are worried and are grumbling is quite understandable. How can they possibly not be worried by the shocks and turbulence of this world which has become less and less orderly these past 5 years? How can they avoid feeling that this disorder is leading them adrift into a situation fraught with danger? The coming months will be even more difficult than those we have known thus far. The current crisis is even probably the most critical one we have had to face in 20 years. There will, therefore, be repeated mention of the fact that Frenchmen are grumbling, but this grumbling does not mean rejection of our society as such. Anyone who, thinking back, for example, to May 1968, anticipates some sort of violent general outburst is misguided.

[Question] Don't you think that these rather gloomy prospects lead us straight to the "chilly," low-key election of a president?

[Answer] I don't see why. There is no reason to believe that the reserve currently being maintained by potential candidates will characterize the election campaign to its very end. I would even go so far as to say it is good for our country that, for once, intense campaign emotions are not intruding too soon upon the political scene. It now appears that the PS and RPR candidates will not launch their campaign until January. And indeed, in my opinion, that is quite soon enough.

[Question] How do you personally view Michel Debre?

[Answer] Primarily as a genuine expression of Gaullism, just as Jacques Chirac may be another such expression. No person can actually claim to be the sole representation of Gaullism because the latter has spread throughout almost all political parties and groups. I can understand, therefore, why many of those who call themselves Gaullists now follow Debre. Moreover, I have read or listened to that man for years. My feeling is that the views he holds are essentially akin to ours. It is obvious, however, that in defending these views, Debre speaks in an impassioned, violent tone that is occasionally--and more often than not--excessive. His intense desire to obtain immediate results makes him call our patience "evasiveness" and our restraint "vacillation."

[Question] Are you not afraid that a violent campaign by Debre may prompt part of his voters to abstain from the second round of the elections?

[Answer] If the supporters of one of General De Gaulle's former prime ministers were prompted to get Marchais or Mitterrand elected that would not be the most trifling paradox of the coming presidential election campaign. But we must be rational about this. In the second round of voting, the choice will, once again, be a choice of society, not a petulant choice. Each voter will conscientiously make up his own mind. In that case, the sheeplike vote will be of little consequence.

8041

CSO: 3100

ARIANE LAUNCH FAILURE STILL UNEXPLAINED

Paris LE FIGARO in French 25 Aug 80 p 8

[Article by Jean-Paul Croize: "Ariane: Double or Nothing--A Still Unexplained Failure"]

[Text] Ariane still does not wish to lift its veil of mystery: an investigation conducted this summer did not make it possible formally to explain what caused the failure in its second test, last May. However, a considerable number of assumptions was eliminated and that is a positive thing at any rate. This would lead us to think that, very probably, the parasite vibrations were fatal in this case. The National Space Studies Center has decided to continue the investigation until the start of October before concluding it officially. But if nothing new turns up by then, the full confirmation for the whole story will come from the third firing of the rocket.

"Five, four, three, two, one, fire!" Between 10 and 30 seconds of roar at 130 decibels and then "Cutoff!" For 20 times since the start of July, the same scenario has been repeated at Vernon (Eure) on the test benches of the "Ariane" engine maker, the SEP (European Propulsion Company). For the first time undoubtedly in space history, these shots are not intended to check the reliability of an engine. The purpose on the contrary was to "bust it up" and, if possible, to do that in the same way it would happen in flight in order to try to figure out what, on 23 May, might have caused one of the Ariane engines to stop after 60 seconds. Thus we find that a first series of 11 shots was designed to study the validity of the assumptions that would be most easily verifiable; but each time the "sanitized" engine kept its secret, its silence expressed by undisturbed normal functioning. A second series of tests, just completed, did not yield anything either. This time, the idea was to disturb the engine's combustion to find out whether strong pressure variations, discovered in flight, might not have caused a fuel supply failure.

At the Crossroads

But the people at SEP are far from considering these 2 months of disappointing results as being entirely negative. They "cleared the air," allowing only one assumption to remain and most of the research will now be geared toward it. Ariane undoubtedly has been the victim of parasite vibrations which thus seem to be the only ones capable of having caused the accident.

While saying that they "remain open-minded regarding new assumptions which might yet turn up in the course of the remaining tests to be run," SEP engineers are above all working in that direction. They are very much interested right now in an incident revealed by a careful examination of launch films; during the first few meters of its rise, Ariane inexplicably veered several centimeters toward the gantry tower. Although tolerable (correctable by means of the engine orientation mechanism), this movement did intrigue the investigators whom it supplied with two alternatives: first of all, that might have been enough to cause the engine, which had failed--and that happened already close to the tower--to experience a return of vibrations coming from the latter [tower] or the concrete which constitutes its foundations. The second possibility is that this deviation might express a slight disequilibrium in the rocket which in turn would follow from a combination of an entire assembly of vibrations whose resonance could also have disturbed one of the engines.

If this is confirmed, in other words, if nothing else is discovered, there would hardly be any way fully to check this out on the ground. Certainty will be obtained only after the third flight of Ariane has demonstrated--by its correct course--the validity of protective measures taken against this kind of vibration. The engineers seem to be getting ready for this "risky verification"; the last series of tests scheduled at Vernon will be designed primarily to test the efficiency of the antivibration casing and devices with which it has been decided to equip the rocket during the coming flights.

Except for a new element between now and the preparation of official conclusions, which are now expected by the end of September or early October through the CNES [National Space Studies Center], this would lead us to fear that the preparation of the third flight of Ariane might also present something of a psychological problem. Last May's failure did not in any way impair the rocket's standing, as borne out by the orders which have come in since then. Today, it is still reasonable to hope that more than 50 of those rockets might be sold between now and 1990. But it seems obvious that yet another accident would change everything and would undermine the commercial future of the rocket outside of Europe. For the program managers, this means that all decisions made up to the third shot are going to have to be the right ones.

5058

CSG:3107

ARMS SALES COMPETITION CALLED 'TOUGH'

Paris LE NOUVEL ECONOMISTE in French 21 Jul 80 pp 20-24

(Article by Rene d'Uzes)

[Text] Officially, the weapons market is transparent: buyer nations negotiate with seller nations. The submerged portion of the iceberg consists of the traffickers. They are indispensable because they allow those in official positions to keep their hands clean in doubtful situations.

The world's largest bazaar: 100 billion francs swallowed during 1979 in missiles, tanks, or ammunition belts, conveyed on presidential trips, at summit meetings, or in obscure back rooms. Weapons always follow strange itineraries.

On the surface however, the war market is always transparent. Business is transacted among states, even among groups of states, by means of duly ratified contracts, in large lots, through the intermediary of manufacturers. But only in appearance, because the minister-businessman-military attache circuit often merely covers up a more tortuous path whose twists and turns are more reminiscent of the movies than of business, and more like an obstacle course than a sinecure: this is the world of the weapons dealers.

On 6 October 1979, at the Intercontinental Hotel in Geneva, a top-floor suite is the scene of a meeting of true conspirators. And yet, among them we can recognize King Khaled, a kin of the Emir of Qatar, an American banker, an emissary of President Sadat, and weapons dealers. The agenda has not been distributed before the meeting. But the goal is unanimously approved: install a more effective system to counter the Russians who are nearing the Gulf. Discretion is absolutely imperative. On the map, each one points to the hot spots where weapons could be directed: Afghanistan, led since the previous spring by Amin, a Moscow man, South Yemen, Kurdistan, which could become a fatal trap for the Ayatollah Khomeini, Turkestan, and Somalia, which since 1977 is struggling without success to obtain weapons from the West.

The participants check out the latest word from each region. Oman and Qatar are ready to make their airports available to those who want to ship clandestine weapons to the rebel forces. This is euphoria, a new victory. The plotters at the Intercontinental Hotel go into the details of a first delivery of weapons to Afghanistan, via Pakistan, to equip 50,000 men.

It is said among the more or less serious groups who participated in this attempt, and also in other groups aimed at countering the Russian objectives in the Middle East, that this attempt was defeated by General Zia, head man in Pakistan, who disclosed it to Khadafi so that the irascible colonel would not discontinue his massive aid in the construction of the Islamic bomb. The Libyan leader then supposedly hastened to transmit the information to Moscow, which immediately dispatched its tank-mounted strong arm diplomats toward Kabul.

How many of these traffickers are there, who still play at being spies and dream of helping their Moslem brothers, those who are fighting in the Afghanistan mountains helped only by Mahomet and old Lee Enfield 33's?

The Soviet invasion of Afghanistan and the ensuing international tension have raised the ante. In the weapons game, it is easier to be the intermediary of an emirate or the discreet manager of a powerful manufacturer of combat jets, than to try to reconvey several thousand automatic weapons of indeterminate origin. Nowadays, the least Kalachnikov that gets sold weighs more heavily than ever. The big boys prefer to sell it themselves, or at least to control its comings and goings. "With the disappearance of non-alignment, everything becomes strategic," says a trafficker, who feels that his trade "is not what it used to be." There may not be more than a dozen people left in the world who can claim to practice this trade. They remain the privileged analysts of political coup candidates. And therefore they consider themselves the inescapable middlemen of reform for all the Third World people who aspire to more than the inheritance left by dictators and single parties. The secret branches of the great powers use them to engineer coups, and to take the rap in case of failure. They enable governments to by-pass their own official or unofficial embargoes. They use intricate networks to supply munitions and spare parts to countries who have weapons of Soviet or Eastern origin, but who, for political reasons, are no longer in a position to replenish their stocks. And finally, they make it possible for factories in the West, the East, or the Third World, to unload their excess merchandise. In a word, they are indispensable because they make it possible for others to keep their hands clean.

To quote an independent weapons dealer: "You have to knock on the right doors, find good bank guarantees, win the seller's confidence, devise impenetrable screens, but the hardest part is still transportation." His concept of the dealer's function is the ability to clinch the purchase of large lots, to establish credit, and to safely convey the goods. Moreover,

these independent dealers consider themselves different from the "Arabs," such as Adnan Kashoggi, Akram Ojeh, or Adnan Kainey, the powerful intermediaries of Arab princes, who receive large commissions from international transactions, most of which are kicked back to the princes.

In principle, each has his specialty. That of Sam Cummings, an American and the best known of private weapons dealers, is light weaponry, notably M 16 Colts and Kalashnikov AK 47's. Considered by his colleagues as a dabbler, he made a name for himself by buying surplus stocks of rifles from the last war, to transform them essentially into hunting or collectors' weapons. And as they enviously say, he never amounted to much more.

Sarkis, a more efficient trafficker of Lebanese origin, has helped the CIA supply the Afghanistan rebels with several lots of weapons and ammunition manufactured in the Sakr plants of the Arab Organization Industry (AOI), financed by the Saudi princes. Several years ago, Sarkis had comfortably supplied the Lebanese Maronites who were at war against the Palestinians and the Moslems. At that time he routed his weapons to South Lebanon on ships sailing from Cyprus. Up to then, Sarkis was outfitting two Boeing 707's which were taking off from Miami, crossing to Portugal and Spain. Sarkis is well known by all French agencies, and in any case he does not try to hide. When in Paris he stays at the Crillon. "Everyone knows that he wears a CIA sticker on his cap," says one of his colleagues with a smile.

Other wars, other practices. The mercenary Bob Denard, Citroen dealer in Bordeaux, head man of the Comoro Islands presidential guard, and champion of African coups, has been well known for some time in Katanga, Rhodesia, Benin, and twice in Comoro. His latest coup, mounted with Egyptian weapons on behalf of Ange Patasse, Bokassa's former prime-minister and today imprisoned in Bangui, aborted even before its execution. The French agencies had in the meantime decidedly opted for the David Dacko solution. It's a hard life.

Although the weapons dealer's clientele grows as weapons expenses increase, this growth is often only theoretical for him. The easy pickings are getting rarer. On the purely commercial front, suppliers are proliferating. Even if producers remain largely concentrated in the industrialized world, as the Stockholm Peace Research Institute has indicated, former customers turned suppliers are now entering the picture.

"Whoever walks into a Chinese embassy and offers his services to ferry weapons to the four corners of the world, is received with open arms," comments a French industrialist. The Chinese demand no certificate of morality, and even less of political orientation. They want to bring more automatic weapons, small cannons, and ammunition to Islamic dissidents in the Soviet republics of Central Asia, Afghanistan, and Pakistan. Their weapons and spare parts are in great demand in countries equipped with Russian materiel because they are very sturdy. The Chinese, who are launching an immense program of conventional weapons fabrication -- notably thousands of tanks under German license -- are henceforth in a position to supplement the shortages of Eastern country channels.

Insiders give high grades to the Egyptian Sadat, who places his territory, his weapons factories, and his planes at the service of those who want to carry out coups in the Middle East or Africa. The Chingag -- it is said -- are even enlisting him to assemble an expeditionary intervention corps by promising him MiG's, spare parts for his Russian military materiel, and assistance in exchange. All of a sudden all the weapons traffickers are parading through Cairo, visiting weapons plants, looking at Kalachnikovs and "Stalin Organs." But despite the great profit prospects, outlets are difficult to find. Even the most disadvantaged rebels hesitate to buy Egyptian materiel, which is considered equally as expensive and of mediocre quality.

But the true competition is a diplomatic one. "The sale of war weapons is the world's most controlled trade. Nothing leaves here without official authorization," Cummings recently explained to FRANCE-SOIR.

It's a fact: the French market is well staffed. Manufacture and sales in the national industry are managed by the Armed Forces Ministry, through the General Delegation for Weapons, working together with the Directorate for International Affairs (of the same ministry, where a sub-directorate supervises the "control of the international trade of war materiel"). New products are shown at three large fairs -- Land, Air, and Sea -- held every year at Satory, le Bourget, and Toulon, respectively.

There are weapons, and there are weapons: often a purely diplomatic definition. Through embargo mechanisms, governments have often forbidden the export of combat materiel as such, but they have nearly as often closed their eyes to intermediate itineraries and equipment, intermediacy being an open-ended concept. How many orders of agricultural material actually cover tank tracks, how many pontoon bridges are hidden under public works packing slips, and how many camouflage uniforms masquerade as ready-to-wear? These are old international ploys, successfully practiced on the Israel or South Africa routes. This is how the Canaries or the Caribbean Islands have long served as relay points for Space Research Corporation, an American company which had research contracts with the Pentagon and which was selling shells to South Africa. Africa remains the location of choice for weapons traffickers. In Chad, the life-and-death fight between President Goukouni Oueddei and his minister of defense, Hissene Habre, stimulates the consumption of war materiel. The existence of 11 factions, all of them armed, and all of them aspiring to come to power, sharpens appetites which have been given free rein by the departure of the French troops. Libya is undoubtedly the largest supplier of Goukouni Oueddei and his supporters. Egypt, via Sudan and intermediary traffickers, supplies Hissene Habre. Colonel Kamougue -- unofficially supported by France since the appointment of Martin Kirch to government office -- is currently looking for light armored vehicles and weapons, which are not to be found through official channels: France does not want to sell. It's up to the weapons dealers to organize networks for conveying and financing. Paris will close its eyes, but will not hesitate to condemn the "horrible" traffickers if they happen to be caught by some foreign customs or police officer, or even by some inquisitive journalist.

Somalia is another machine gun heaven. In March 1978, Somalia, which was about to reverse its alliances, was looking for weapons in Western capitals. In spite of strong recommendations and money from Hlad, President Syad Barre could not manage official purchase of materiel needed to reopen the war against Addis Ababa, which was still receiving support from Moscow. Whereupon, his counselor Samantar found understanding sellers who, in exchange for financing, devised complicated schemes to convey the requested materiel. This did not prevent Samantar from stocking the Somalian armories. During the last French-African summit meeting in Nice, he was looking for new partners to acquire tanks and anti-aircraft materiel. Buyers and sellers enjoy a certain measure of protection which will guarantee them some -- but not total -- immunity against French justice.

Everything is possible in this business. Provided you don't get caught. The decree-law of 18 April 1939 is clear out: weapons traffic is punishable and prohibited.

On 21 September 1978, at Heathrow Airport in London, a customs inspector noticed automatic rifles in a damaged crate supposed to contain "agricultural equipment" addressed to Somalia. He went on to find 500 German HK's manufactured under license in Portugal, and distributed among many crates. And in barrels of petroleum products, the British customs men discovered 50 million cartridges. This is how three leaders of the French group Gevelot landed in jail.

The situation is reversed in Morocco, where the Americans have just lifted their embargo on sophisticated weapons and have extended a 235 million dollar credit: here, weapons dealing is becoming legal and is slipping away from traffickers to some extent. Dlimi, head of the Sahara forces, has access to subsidies from both the Saudis and the Americans in dealing on the official market. Even the Israelis are helping him outfit his army. Ammunition belts, boots, and other light supplies are first sent to Oman, where the C 130's of the Moroccan Army receive crates which obviously are not labelled with the Star of David. Casablanca has seen the unloading of armored vehicles and electronic equipment manufactured in collaboration with South Africa. And even China has shipped a few crates.

Legal or illegal, weapons sales remain good business. Not only in Africa. Traditionally, Romania, Poland, Bulgaria (notably Kintex), and Czechoslovakia (through Omnipol), have done business with a few specialized European dealers. They all praise the fair play and discretion of these sellers. "They never let you down," says one of them, as he compares them to the decadence of the West and speaks of the "journalistic pox." Access to the valued weapons of Warsaw Pact countries is becoming increasingly complex, and that includes Romania. The need for currency seems to take second place behind Moscow's injunctions. Another consequence of Kabul ; One of the jackpots which traffickers always look for is the acquisition of all or part of the weapons scrapped or abandoned on the battlefield by defeated armies. Vietnam for instance, recovered a surprising amount of materiel left behind by the Americans in 1975. Their sale is an important

source of currency for Hanoi. They are sold through Hong Kong, Bangkok, and Colombo, with feelers in Spain, and even -- it is said -- in Germany through the intervention of an obscure bookseller. Lebanese, European, and American traders were recently fighting over Otan weapons scrapped in Canada. As for Israel, after dismantling and reconditioning the Russian materiel abandoned by the Egyptians in October 1973, it resells it to Egypt. Without intermediaries.

A stroll through the world of weapons is full of surprises. While a French law forbids weapons traffic, the legislation is silent on rules for their financing. "No more need for Swiss banks, since French banks including the nationalized ones are quite willing to help us," says one weapons dealer. And he reels off the names CCF, Paribas, Credit Lyonnais, or Ubaif.

Another surprise is to discover that Belgium, Italy, and Spain are the ideal countries for pursuing this type of activity. It would appear that this is where you can find all the cooperation you need from weapons manufacturers, bankers, and officials. Better than in France where "promises are not always kept."

It is also surprising to note that despite all the bureaucracy and fierce regulations, you can outfit DC-4's or even DC-8's right in Paris, through legitimate front companies shielding well-known names, in order to convey machine guns and ammunition to the other end of the world. Like hypocrisy itself, weapons traffickers still have a promising future in spite of everything.

Who Will Build the Neutron Bomb?

A sort of a hydrogen mini-bomb whose function is to release a very high flux of neutrons, the bomb which could currently be called the absolute weapon has been cynically dubbed "the clean bomb" by experts.

It has been given this name for two reasons. It only kills men and does not destroy materiel! Tanks are therefore reusable (only the electronics have to be replaced, because just like the crew, they cannot survive the ionization).

It acts directly on a limited area of one-half square kilometer, whereas the conventional fission bomb devastates tens of square kilometers. It is thus the very model of a battlefield tactical nuclear weapon.

Who will build the French neutron bomb? For the payload, the answer is a simple one: the Atomic Energy Commission (CEA), which receives more state support from the Ministry of Defense (4.2 billion francs) than from the Ministry of Industry (3.4 billion). As to the carrier, it could be Aerospatiale, because this appears to be part of its stock in trade; its Tactical Engine Division builds the nuclear head ground-to-ground Pluton

missiles at Bourges. This is the same division which was also selected (instead of Matra) two years ago to successfully complete the nuclear tactical air-to-ground program (ASMP) which will soon equip the Mirage 2000. But this could just as well involve a 155-mm shell delivered at closer range from a self-propelled gun. In this case production would be assigned to the Industrial Group for Ground Weapons (GIAT).

11,023

CSO: 3100

CHANGE IN INDUSTRIAL ESPIONAGE LAW

Paris L'USINE NOUVELLE in French 14-21 Aug 80 p 20

[Amendment to Commercial and Industrial Espionage Law, Law of 16 July 1980, JOURNAL OFFICIEL, 17 July 1980]

[Text] In order to reduce commercial and industrial espionage to a minimum, the Law of 26 July 1980, pertaining to these issues, is hereby amended. One article thus specifies that "except for international treaties or agreements, any individual of French nationality or any person habitually residing on French territory and any manager, representative, agent, or official of a corporation, having its headquarters or an establishment there is hereby forbidden in writing, orally, or in any other form, in any place whatsoever, to communicate to foreign public authorities the documents or information of an economic, commercial, industrial, financial, or technical nature whose communication is such as to infringe upon the sovereignty, security, and essential economic interests of France or public order, as spelled out by administrative authority to the extent necessary."

Likewise, the new law says that still "except for international treaties and agreements and laws and regulations in force, all persons are forbidden to request, to research, or to communicate, in writing, orally, or in any other form, documents or information of an economic, commercial, industrial, financial, or technical nature aimed at the assembly of evidence with a view to foreign judicial or administrative proceedings or within the framework of such."

The law furthermore obligates all persons who have learned of a request concerning the above-mentioned communications immediately to inform the appropriate minister. Penalties ranging from 2 to 6 months in prison and fines of F 10,000-12,000 may be imposed upon violators.

S058

CSO:3100

PREPARATION FOR CHEMICAL WARFARE URGED

Paris TERRE INFORMATION in French May 80 p 4

[Article: "The Chemical Menace"]

[Text] Major headlines have recently announced that poison gas has been used in Afghanistan.

This rumor must contribute to strengthening our determination to improve our NBC defense capability, since the chemical threat is more imminent than ever.

For our 1916-1918 veterans, the first yperite clouds and the first toxic bombs were a tactical surprise.

For us, on the contrary, the use of gases represents as likely a danger as the sudden appearance of armored divisions, aircraft, and helicopters, and in fact even more likely than the initial use of nuclear weapons.

Now, at the beginning of 1980, the elements of our countermeasures against the chemical threat are as follows:

Gases have been much improved, particularly neurotoxins which kill or paralyze with very small doses. Even if France has no intention of using such weapons, it must however, have them ready;

The human senses are not adequate in themselves to detect danger in time. Therefore the French Army will be equipped with very sensitive alert materiel;

Modern tanks and VTs are equipped with devices which protect the equipment against aerosol and toxic clouds;

Each fighting man is issued excellent individual protection equipment: a first-aid and decontamination kit, complemented with the S3P outfit; this provides the best guarantees against all types of liquid or gas chemical agents;

This defense arsenal is completed with regimental light and heavy decontamination material.

Yet it is also necessary to have the know-how and the will to utilize all these means, and to this end, to become informed and trained.

Prolonged wearing of the mask and special garments is certainly not a pleasure, but familiarity with their use would be the only way for us to be able to survive and accomplish our mission, in spite of gases, when the time came: for example, to build a bridge, install a PC (command post), transmit a radio bulletin, or dig a combat emplacement.

There is only one way to become prepared to react instantaneously in case of a chemical alert: to train to put on one's mask when the whistle blows.

Any negligence in NBC defense matters is reprehensible in peacetime. It would be criminal in war.

In the face of chemical threat, let us train earnestly today so that tomorrow we can save our own and others' lives.

11,023

CSO: 3100

FOREIGN TRADE FIGURES REVIEWED, COMPARED

Paris L'EXPANSION in French 18 Jul 80 pp 7-9

[Article by Gerard Moatti: "The French Colors Throughout the World"]

[Text] The crowing was premature: France, the third largest exporter in the world in 1979? Well, it was not to be. The International Monetary Fund has revised its figures. Once more Japan is ahead of us: 102.3 billion dollars of exports against our 100.7 billion. This notwithstanding, our "Go-Go Gallic Entrepreneurs" were recently honored by NEWSWEEK, which disclosed to America's heartland that France, in addition to champagne and camembert, also sells to the rest of the world jets, telephone switchboards, and space launchers.

But one look at the figures shows that any glee would be premature. To begin with, our 100 billion in sales place us well behind the United States (181.8) and Germany (171.9). In 1972 our exports represented 59 percent of those of the United States and 57 percent of Germany's. In 1979, the figures are of the same order: 55 percent and 58 percent. We certainly present a respectable front in the world economic war, but we do not hold the best strategic positions.

"France," comments Christian Sautter, director of CEPIL (Center for Market Studies and International Information), "is an industrial country which is catching up. In the 60's it used competitive devaluations, and in the 70's it leaned on a strong policy of export credit." And it is true that our exporters did make some sales. But not always on the most promising markets and not with products with the highest added-value. In other words, the sector and geographic redeployment of our sales, considered since 1974 as the magic formula for eluding the crisis, is far from complete.

The expansion toward large scale exportation did not occur (see table 1). In 1979 as in 1969, the Common Market has represented more than half of our customers, and this concentration has become even more accentuated. Outside of Europe, the growth of the relative portions of the socialist countries and of the oil-producing countries has followed the general evolution of the world trade. In exchange, the position of North America has definitely been reduced.

Table 1. Concentration in the Common Market.

Geographic distribution of our exports (in %)	1969	1979
Common Market (1)	52.0	52.8
Other European countries	13.9	12.5
North America	6.3	5.6
Other developed countries (2)	2.6	2.2
Socialist countries (3)	4.3	4.6
Oil producing countries (4)	6.7	9.2
Developing nations	14.2	13.1

- (1) England and Denmark included in 1969 and 1979
- (2) Japan, South Africa, Israel, Australia, New-Zealand
- (3) Including China, Vietnam, North Korea, and Cuba
- (4) Including Egypt, Gabon, Mexico, and Ecuador, even for 1969

Therefore our exports to each of these areas have definitely grown, since their overall value in terms of today's dollar has increased nearly fourfold between 1972 and 1979. But orders mean less than market transformations: while the geographic makeup of our market has remained fairly stable, on the whole, during the past 10 years, the world has changed. A comparison of our portions of the market with those of FGR (table 2) shows that we have scarcely kept up with this change.

Between 1970 and 1978, FGR has progressed as we have in the Common Market and in the other developed countries (OECD outside of EEC). But in this latter area (which notably includes the United States and Japan), its share of the market remains nearly three times greater than ours. The only countries where we sold approximately as much as it did, were those of the Fourth World, whose debts and financial difficulties are well known. But OPEC provides the most typical example of the relative slowness of our adaptation: in an eight-year period, our share of this market which is in full expansion, dropped from 11.4 percent to 7.9 percent, while the shares of Germany, Italy, and Japan increased.

Therefore, French salesmen are not always best at seeking out dollars where they are to be found. And what about French products? In this area again, the spectacular breakthroughs of our latest technologies conceal a certain inactivity with respect to "heavy cavalry." Table 3 is particularly revealing. The left side of the table shows our sales distribution for major categories of products in 1979. These percentages would have been nearly the same if they referred to 1972: there has been only one slight increase, for professional equipment and for transportation equipment (which includes automobiles). Redeployment has not yet occurred here.

But our real weakness appears when we examine the areas where we export these various products: simply stated, we often sell expensive products to

Table 2. Market shares lagging behind OPEC.

Market shares in %		France	Germany
EEC	1970	11.3	18.7
	1978	12.0	19.5
OECD outside of EEC	1970	4.5	14.7
	1978	5.5	15.4
OPEC	1970	11.4	12.3
	1978	7.9	15.5
Rest of Third World	1970	8.2	10.2
	1978	9.0	10.3
Eastern Countries	1970	9.3	18.7
	1978	8.1	21.9

Table 3. Fortunately, there is a Third World.

Structure of our exports	Portion (in %)			Sales (billion francs) (1)		
	Total	To OECD	Out of OECD	Total	With OECD	Out of OECD
Agricultural food products	16	17	13	+ 3.2	+12.7	- 9.5
Energy	3	4	1	-83.8	- 7.1	-76.7
Industrial products	(80)	(77)	(86)	(+35.6)	(-30.2)	(+65.8)
Intermediary products	28	29	25	- 4.6	-17.4	+12.8
Professional equipment	23	17	36	+18.5	-19.8	+38.3
Transportation materiel	14	15	12	+30.3	+17.4	+12.9
Consumer goods	15	16	13	- 8.6	-10.4	+ 1.8
Miscellaneous	1	2	0	+ 2.6	+ 2.5	+ 0.1
Total	100	100	100	-42.4	-22.1	-20.3

(1) CAF-FOB, military materiel excluded

poor countries and inexpensive ones to rich countries. Proportionally, we export more agricultural and food products within OECD than beyond (which is largely due to the mechanisms of agricultural Europe), while we export much less professional equipment (17 percent compared to 36 percent).

Even more revealing is the makeup of our commercial sales (table 3, right side):

Agricultural and food products, our "green oil", manages only a meager surplus of 3.2 billion francs.

Of course, energy is most responsible for our foreign trade imbalance, since it adds up to 83.8 billion, representing nearly twice the total deficit (42.4 billion).

Table 4. Our largest deficits, our largest surpluses.
Commercial sales for 1979, CAF-FOB, in billion francs.

Deficits		Surpluses	
Saudi Arabia	-19.7	Switzerland	+ 6.5
United States	-14.0	England	+ 6.5
Iraq	-10.9	Algeria	+ 3.5
FRG	-10.0	Egypt	+ 3.4
Netherlands	- 5.2	Morocco	+ 3.2
Japan	- 4.8	Greece	+ 2.4
United Arab Emirates	- 3.7	Yugoslavia	+ 2.1
Nigeria	- 2.9	Tunisia	+ 1.9
Iran	- 2.6	Mexico	+ 1.6
Spain	- 2.3	Italy	+ 1.5

As for industrial products, the lesson is clear: with the wealthy countries (OECD), we have a deficit of over 30 billion francs, and we are only able to reestablish a balance with a massive surplus (65.8 billion) in the countries outside OECD.

We are exactly in the same situation in the case of professional equipment, which is the most active and the most promising market: our surplus of 18.5 billion breaks down to a deficit of nearly 20 billion in wealthy countries and a surplus of over 38 billion in poor ones.

The deficit for consumer goods is relatively new: it only arose in 1977, and has constantly worsened since then (8.6 billion in 1979).

The only success is transportation equipment, mostly cars, whose surplus has done nothing but grow with time, in Third World countries as well as within OECD.

The results can be clearly read in table 4: our largest deficits, of course, occur with our oil suppliers (Saudi Arabia, Iraq, the Emirates, and so on), but also with the large industrial countries (United States, Germany, Japan, the Netherlands), while our surpluses, outside of Switzerland and England, occur mainly in poorly industrialized countries.

This is not a very favorable situation: first, because new oil price increases and the coming recession may weigh heavily against the purchases of developing countries. And secondly, because France supports its sales to these countries through large export credits: our debtors are much weaker than our creditors. In a very unstable international financial context, this is not very reassuring.

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PVDA'S MEIJER CALLS FOR PROGRESSIVE POLICIES IN NEXT CABINET

Rotterdam NRC HANDELSBLAD in Dutch 16 Aug 80 p 7

[Article by Wim Meijer, member of the PvdA parliamentary party in the House: "Not With Whom, But How, Is the Question Facing the PvdA"]

[Text] Political activity is starting up again, and one by one the political parties are revealing their resolutions for the near future. Attention is already being directed toward the upcoming elections. Wim Meijer, a member of the PvdA [Labor Party] parliamentary party in the House, believes that his party should pursue a single goal in the near future: co-responsibility for a progressive policy in the next cabinet.

If ever the chances for employment and social security have faltered, then it is at this time. Specifically, in recent months a number of developments have gotten out of hand in our country. The socio-economic climate has become sickly, with the sad post war record of 250,000 unemployed. Reactions to this development are widely divergent. A quote: "In terms of their income development, civil servants and social security recipients must be detached from (that is to say, lag behind) workers in the business world"; this is how VNO [Federation of Netherlands Enterprises] President Van Veen showed the administration a way out of its problems. The country's Minister of Finance Van der Stee showed a nearly equal lack of creativity with his call for an overall income reduction of 1.5 to 2 percent for all Dutch income recipients in 1981.

The prime minister had already preceded him with similar statements at the end of June. Next, in the middle of July, Van Agt announced that the 1981 budget will be the most difficult one since the Second World War. He then left to attend the Tour de France, thus showing the fatherland's public his real acting talent for evading problems and refusing to make a real choice. Among all the criticisms for lack of vision on the part of the Van Agt administration, the most important objection to the actions of this team of ministers is the fact that they do not take seriously the country's problems and the concerns of the people who see their job, their income or their benefits endangered.

That they do not manage to produce any knowledge or understanding for the people sitting in the corner where the heaviest blows are being dealt: the unemployed, the people living on social benefits, the home seekers.

The only minister who is an occasional exception to this is Albeda. His conviction suggests to him that a different policy must be chosen, but his political position and especially his courage seem to have been affected too much to allow him to suit his actions to his words.

The Van Agt administration is responsible for the failing Specifications policy. As a matter of fact, none of the central goals of the socio-economic policy, as stated in the Specifications memorandum, neither with regard to job opportunities, inflation and income development, nor with regard to the government's financing deficit, have been achieved.

And we are not even talking about the fact that the cabinet is completely out of touch with the fundamental opposition to a new nuclear arms race and a further development of nuclear energy.

Powerlessness

In terms of the most important points of contention, the administration does not align itself with the weak in society. It pushes things forward and, in terms of the 1981 budget preparation, it is acting true to its tradition. Starting from a general income reduction, the business world will just have to solve the matter.

Van Agt and his colleagues give daily evidence of their powerlessness to offer solutions to the problems we are faced with at this time. This Van Agt administration must go, and in the shortest possible term. This is a matter of national interest.

Considering the problems that need to be solved, this country deserves a different policy. A policy which is indeed able and willing to tackle the problems of this moment. To name but a few: drastic expansion of job opportunities, modernization of our industry, income moderation coupled with a drastic redistribution, but at the same time also directed spending of increased profits in enterprises, the direction of investments among other things on the basis of need, and as a priority item, protection of security within society for those with the lowest incomes.

But aside from this most topical choice of policies, a new policy must primarily develop the team strength necessary to motivate large social groups and to convince them that separate interests must be balanced and fitted into the handling of the major national problems.

Industrial Union

The government must set boundaries within which social groups act, thus also for us, said the FNV [Netherlands Trade Unions Federation] Industrial

Union in the memorandum on the socio-economic policy which should be conducted, which was issued in July. Faced with an extremely acute distribution choice due to the fact that economic growth has virtually ceased to exist, Groenevelt's union chose recovery of job opportunities over the maintenance of purchasing power. If the latter does not take place, then there would be no prospect for the former.

But one should not make the mistake of losing sight of the context of the choice made by one of the largest FNV unions.

Anyone who would translate Groenevelt's position into "a reduction of 1.5 to 2 percent for everyone and some gritting of one's teeth," would be sorely mistaken. The offer from the FNV Industrial Union is not simply a contribution to making the national account balance. It is not possible to force a guided development of incomes and consumption -- however desirable this may be at the present time. Not by law either.

In the longer term, the basis is to be found exclusively in the mutual acceptance of the points of departure and the principles of such a policy and the possibility of bearing the responsibility for it jointly. Therefore, to take part in the development of a position for the union movement requires a political will. The characteristics of this are, in the first place, that the workers movement be absolutely seriously involved in the establishment of priorities and choices -- and not be raped as was done in March of this year by the prime minister -- and in the second place, that the package of directive measures conform to the main wishes of the workers.

Redistribution

Against the willingness of Groenevelt and his colleagues to accept income moderation, there is the offer of an active redistribution of incomes and the right of workers to participate in decisions concerning the improvement of output in enterprises. Because nothing can be expected from the side of the employers in terms of these main issues, it will stand or fall with the government's policy.

We know what is required: among other things, the legal authority for the unions to conclude job agreements, investment regulations, participation in capital gains, better planning and investment instruments, a redistribution of work and income, a program of energy savings, strengthening of a voice for the citizens, etcetera, etcetera.

Anyone who takes a look at this government's legislative program will reach the conclusion that it is a shabby package. The Van Agt administration is absent in all the main points. The political formula on which the cabinet is based, that is to say the liberal-conservative principles, do not provide any room either. This fall will also be a major failure. The extended hand of the unions will not be accepted either. A catastrophic development for anyone who realizes what should actually happen. The will to change society, to reform it in such a way that large groups of citizens recognize

themselves in its goals and are stimulated, and especially encouraged, to tackle the problems collectively, is lacking.

The VVD [People's Party for Freedom and Democracy], led by Wiesel, will undoubtedly announce shortly that the best solution for fighting the current crisis would be a national union cabinet. Even aside from its political and constitutional desirability, it would not be possible for such a construction to function.

As a matter of fact, a national administration would include all political and social conflicts, and would, precisely when a choice needs to be made, not be able to break through the deadlock. And this, at a time when a clear and sharply outlined policy is more than ever called for. A national cabinet would therefore have to be considered an impossibility.

Others expect that only a leftist majority cabinet would be able to conduct a consistent policy. The reasoning is that rightist and center-oriented tendencies have long and often enough now given evidence of their unwillingness to cooperate in social reforms, and that the left should now independently ask for a mandate from the voters. There is undeniably some logic to this reasoning. A look at the disappointing post war experiences (1958, 1966, 1977) of the socialists with regard to the possibilities of their governing together with the center, would at least produce understanding for this way of thinking. But, at the present time, it would be extremely unwise for the socialists to rely solely on the card of a leftist majority cabinet in the next election.

Strategy

Such a cabinet would be thankfully accepted if, in the final analysis, it was the conscious will of the voters but it should not, during the next few months, become a strategic point of departure for the actions of the most important progressive parties. As a matter of fact, one could not give Van Agt and Wiesel better ammunition for the upcoming election than the prospect of a leftist administration. They would simply confine themselves to an appeal to: "block the left."

Policy would no longer be talked about. The Dutch left should not do Van Agt and Wiesel this favor. But there is more. If you let the full scope of the problems influence you and weigh them in all their severity, you would also become aware of the special responsibility which rests with the Labor Party. Special circumstances require special measures.

In the short term, the Labor Party should in fact have only one goal, that is to replace the current policy as soon as possible with a progressive policy. And therefore, it should not put any obstacles in the way of its active participation in carrying responsibility for that new policy.

The Labor Party must govern to break through the deadlock in the socio-economic policy, to protect the position of the lowest income group, to

create perspective for the vision and ideals of the free union movement. But especially, to fight the deadly paralyzing feeling that the problems of the time have no solutions. They can be solved. It requires a capacity for work, creativity, vision, feeling and also a little courage. The courage to ask for the confidence of the voters, knowing full well that they will recognize the Labor Party as the responsible factor in the balanced election program /Back to Work/ [in italics].

Cooperation

Thus, the Labor Party should freely turn to the voters and declare that it will cooperate with other parties on the basis of this program. Of course, with its natural partner, the D'66 [Democrats '66]. Due to the fact that this party receives so much of the voters' attention, it must be primarily faced with the question: what are you doing with all this acquired political power? It is crucial that we should not have a repetition of the events of the beginning of the year when the D'66 supported the implementation of the wage measure. This way, the D'66 let it be known that it saw no "reasonable alternative" to the policy of the Van Agt administration.

Such a choice goes squarely against what has been demonstrated above, and makes this party's position less clear and more uncertain than Jan Terlouw's doubts.

Cooperation also with the CDA [Christian Democratic Appeal]. Cooperation with the CDA will never be harmonious. The parties are too different for that. The CDA is in unstable equilibrium. After the "tolerators" and the "loyalists," new cooperation with the Labor Party and the D'66 would undoubtedly cause a new rightist group within the CDA to raise serious problems.

However, it is, in the first place, the problem of the Christian democrats themselves. There is also a large group of CDA members, primarily in and around the CNV [National Federation of Christian Workers in the Netherlands] and in the new life style movement in the churches, which realizes that cooperation with the Labor Party and the D'66 is an absolute must. It would be desirable for this tendency to throw itself vigorously into the factional conflict -- a continuation of the CDA coalition with the VVD or a change of course toward the PvdA and the D'66 -- which will undoubtedly face the CDA during the next few months.

Given these circumstances -- an independently operating D'66 and a strengthening of the position of the progressive tendencies in the struggle for the course of the CDA --, in the upcoming election the PvdA will have to use its own strength to show itself to be a strong, progressive coalition partner. It will have to be able to analyze this strength for an electoral verdict which will allow the PvdA, on a basis of equality, to start coalition negotiations with the CDA -- and with the D'66.

HEAD OF INDUSTRY ORGANIZATION DISCUSSES BUSINESS OUTLOOK

Oslo ARBEIDERBLADET in Norwegian 5 Aug 80 p 6

[Article by Director Chr. Sommerfelt, President of Norwegian Industrial Federation: "What Kind of Industrial Politics Will We Have? Industrial Democracy--But Do Not Employ the Law"]

[Text] The chairman of the Norwegian Federation of Labor, Tor Halvorsen, in an interview this summer with ARBEIDERBLADET, touched upon central questions in connection with business democracy and industry politics, which there is reason to discuss, because we in Norwegian industry at the same time have problems which give rise to questions of current interest.

Primarily, it would be natural to bring in mind that exactly a year ago, an industrial growth committee, appointed by the Ministry of Industry, made a statement concerning Norwegian industry in the 1980's. The recommendation was unanimous, something which is remarkable for a broadly assorted committee with representatives from ministries, research industries and organized labor, which included Tor Halvorsen. In principle, the view of the committee coincided entirely with the standpoint which during the last years has been made through OECD and which has been closely formulated in the "Positive Adjustment Policy" of this organization. The same views, if one does not consider exaggerated reactions during an election campaign, have found a broader acceptance among politicians as well as by the industry.

Theory and Practice

It is not always easy to transform theory into practice, as will always be the case and from various reasons, and, in any case, not as fast as would be desirable. It is, however, a pleasure to ascertain--among other things, through various Gallup polls that viewpoints, thought to be unpopular, have met with a great measure of understanding and support. This applies among others to the opinion of the Norwegian people in regard to wage and price limits.

As far as a workers democracy is concerned, Halvorsen advocates a stronger development of the present system, where the employees as a first step will get a stronger position in the daily administration of the industrial concern. In the long run, says Halvorsen, a workers majority in private enterprises may be opened up.

In a commentary to the interview, director Lars Aarvig of the Employers Association discloses that the question of the employees influence as workers in industrial concerns, should be dealt with between the organizations, and not through legal channels. Director Arnulf Ingebrigtsen of the Industrial Organization says that in this regard the workers' democracy primarily is a matter for the Employers Association. This is true, but as a former member of the Eckhoff Committee, who a few years ago cleared up the workers' democracy, I shall permit myself to touch upon a few points in this case.

Daily Administration

Halvorsen wants a stronger standing for the employees in the daily management of the company. What does this mean? As we know from a well-organized business, management deals with each case, distributing the workload and securing the best possible ability for competition and consequently jobs for the employees. We have workers' committee and branch committee and in many places different variations of committees for preparations of cases. In a well-managed and organized business, a case is well prepared and advanced during a get-together of all persons involved and before the final decision is made by the management. Surely a lot can be done in many companies in order to improve case handlings, but if formal changes should prove to be necessary or desirable, negotiations between the Federation of Labor and the Employers Association would be preferable to the taking of legal steps.

In this regard, it would seem natural to mention another circumstance. The employees' representatives in management have been assigned to look after the interests of the company, in the same manner as the board members, elected by the share holders. For this reason, problems may arise when the shop stewards, elected by the employees and who have been chosen to protect their interests, will also be elected as members of the board. In such an instance, they may face a new and often difficult situation, for instance if a reduction in the work force should be necessary.

The situation is, as has been clearly expressed in the recommendation by the industrial committee that the basis for all industrial enterprises must be profit. This may mean that because of international and technological development, for a country like Norway, where the ability to compete for a time was weaker than our competitors, the industries must adjust to new conditions, and perhaps also under certain circumstances, reduce the number of employees. This action must be centrally managed. The authorities can assist in the readjustment process with their support, but the best solution would be that other jobs could be created within remunerative industries. This procedure demands labor transfer.

Transfer

It was the question of labor transfer which was particularly dealt with during the election battle last year. Three different circumstances may have to be taken into consideration. First, an employee in one industry may change over to another industry of the same trade and in the same district. This should not cause any problem. It is a situation faced by many people and it could prove to be healthy for both employee and employer. Second, it could happen that an employee cannot find tasks in the same trade, but he must make a transfer within the same district. This involves a job change and requires the assistance of the authorities. Third, an unemployed worker cannot find employment within his own trade, so that oscillation or moving will be required. This will cause a greater problem.

We have experienced these days two examples of such movement problems-- at Jotul and Union

At Jotul the decision making executive branch has decided to enlarge the furnace casting division at Kraakeroy, instead of in Oslo, thereby risking the jobs of a small number of employees in Oslo. It is, however, quite evident that these people, at any time, will be able to find jobs in the workshop industry in the rest of the capital, while on the other hand, Kraakeroy needs considerably more job openings. Notwithstanding this, the minister of labor and municipal affairs, Valle, upon requests from employees at Jotul, has postponed to go through with this, resulting in very unfavorable consequences.

As far as Union is concerned, curtailment of production at Skotfoss on a whole or partial basis is being considered, thus giving the ones losing their jobs, an opportunity of new tasks in the surrounding area.

Growth in Decline

As for the initial information concerning the revised national budget for 1980, the growth of the ability of the Norwegian industry to compete in 1978, has been on the decline in 1979 and 1980. One of the reasons given has been stiffness in the labor market. If we are to get an industrial organization where the employees enjoy a larger share and in which the employees consider themselves the employees' representatives and not the company's representatives, it must be evident that it will be more difficult to reduce this stiffness. It will be more problematic to obtain the flexibility required, in order for the Norwegian industry to maintain its competing ability. Under any circumstances, it will be necessary that these conditions be thoroughly examined.

Another situation which occurs in connection with the position of the employees in industry management and also in connection with the expression of Tor Halvorsen about plate industry, concerns the question of capital. It is generally known, in our country as well as others, that

private capital in industry is too small. In our country it has been reduced from about 30 percent, which it should be, down to 16 percent.

This makes the industry susceptible to changing economic conditions and incapable of the necessary investments and creations. The result being that in a critical situation the industry will approach the government for aid, supported by the employees and often with successful result. It should be quite evident that such a development for the industrial management and for the attitude of the employees, will curtail the necessary feeling of responsibility, contribution and pleasure of one's work. With the view of industry management and state industrial engagement, as expressed by Tor Halvorsen, the problem of securing risk capital from interested share holders will be more difficult.

Cornerstone Industries

The second main question which Tor Halvorsen takes up, concerns the engagement of government in industry. Among others he mentions that government enterprises probably will be cornerstone industries in Norway's future.

It is in this connection also interesting to watch the international development, which, among others, the OECD is absorbed by. The engagement by the government has especially been spread out in central areas, like in the mines, steel and shipbuilding industries.

When the international development for certain ores, as for instance copper, experience constant price pressure and changing market conditions, this is due to among other things, that the leading producers of copper, consist of government-owned mines in politically unstable countries, where it becomes necessary to keep up production at any price. When it comes to steel, the situation is that in most West European countries, and partly also in other countries, the steel industry as a base industry, is government controlled with production and price policy partly determined by guide lines which are not founded on industrial productivity and remuneration. The result of this has been an industry which for years has suffered extraordinary problems. In succession, the same applies to the shipbuilding industry, where several countries attempt to postpone the reduction, which, over a period of time is necessary. The consequence of this is that instead of having a natural and healthy competition between independent industrial units, a fight between the governments develops, in varied forms, as to the limit of subsidizing.

In the technological industry the situation is different from the three above mentioned Norwegian trades, but here also governmental protective initiatives can be unfortunate.

Subsidy Fight

Our own country would evidently be strong in a subsidy fight with other countries, because we have greater financial possibilities than the rest,

due to our government's income from oil. We must, however, keep in mind that the longer an industry which requires a changeover is subsidized, the slower a necessary adjustment will take place. This situation will be more evident in dealing with government industries. In addition, Norway, to a greater degree than most other nations, is dependent on free, international commerce. The dutch Nobel Prize winner in economics, professor Jan Tindbergen, is of the opinion that the mercantilism we experience today can be traced among other things to the various governments' lack of ability to react correctly towards growth on lower levels.

Private Industries

As far as the government's engagement in industry is concerned, there is ample reason to bring in mind the recommendation of the commission of industrial growth which states that the most important basis for industrial activity in Norway, must be the private companies. No matter how the government manages its industrial interests, it will be poorly suited for industrial planning and operation, compared with the thousands of free enterprises in a decentralized system. It is primarily and foremost through these and notwithstanding the small- and medium-sized industries that new ideas come forth and new activity created.

We must hope that the industry report which has been announced early this fall, will put more emphasis on a longterm industrial policy, directed against the future, than on short term gains.

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CSO: 3108

SOVIETS CONTINUE TO IGNORE SVALBARD AIR TRAFFIC RULES

Oslo NORGES HANDELS OG SJOFARTSTIDNEDE in Norwegian 25 Jul 80 p 1

[Text] Although Norwegian aviation authorities demanded over a year and a half ago that Soviet helicopters on Svalbard establish direct radio contact with the airport tower in Longyearbyen, there has been no improvement this summer.

Department director Oivind Christiansen at the Aviation Authority tells NORGES HANDELS OG SJOFARTSTIDNEDE that his office received a letter last June from the Soviet mining company Artikugol, which operates the helicopters, containing an apology because it is still impossible to establish the desired radio contact.

Artikugol writes in the letter that it stresses the flying skills of its pilots and not their knowledge of English. But at the same time the mining company admits the need for a solution.

However, director Christiansen emphasizes that the Aviation Authority is carefully studying the letter. It will not be content until a satisfactory solution is achieved. Having the Aeroflot office at the airport tower in Longyearbyen relay reports between the tower and the helicopters creates delays and misunderstandings.

"But representatives of the Aviation Authority at Longyearbyen have been assisting the Russian Aeroflot pilots with English lessons for a long time, have they not?"

"Evidently, the Russians still do not consider themselves sufficiently competent in English that they should use it on Svalbard. But in any case they are making a big fuss to show that they are trying to live up to the Norwegians' demands. When I was in Barentsburg in 1979 I was shown pictures that the Russians said were from their English classes for the pilots but I have no guarantee whatsoever that they are being taught that language."

"Is this deliberate delay or are there real problems involved?"

"When it comes to the Russians' difficulties in learning the language, I know from personal experience that they are real. And the Aeroflot crews that know English are probably employed in scheduled routes abroad."

"Has the lack of radio contact created dangerous situations over Svalbard?"

"There have been no dangerous situations but there have been unpleasant instances when Norwegian SAS pilots have come in for a landing without knowing whether or not the Russian helicopters in the vicinity had received a report on the SAS plane. For example, the pilots have feared that a helicopter could suddenly cut across their path. Obviously this creates uncertainty for the SAS people."

"It creates problems for the airport tower that approach and landing instructions are not given to the Soviet planes. The indirect contact is more cumbersome and difficult. But as long as there is relatively little traffic at the airport the situation is tolerable. However, if it increases even more, then measures must be taken to avoid accidents and dangerous situations. The point is that use of the airport has become much greater than was anticipated in 1975 when it was opened," department director Oivind Christiansen says.

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CSO: 3108

COMMUNIST PARTY CHIEF KNUDSEN DEFENDS USSR IN AFGHANISTAN

Oslo AFTENPOSTEN in Norwegian 7 Aug 80 p 2

[Editorial]

[Text] When the rest of us during the warm summer and vacation time try to forget everyday life, the chairman of Norway's Communist Party [NKP], Martin Gunner Knudsen, has this week succeeded in avoiding life's realities. He was interviewed by ARBEIDERBLADET concerning the standing of NKP in Norwegian politics in general and particularly about the party's view of the events in Afghanistan. The chairman's replies unconditionally approve the politics of the Soviets in the distant mountain country, but also categorically deny the "war news" from Afghanistan, stating in effect that "in New Delhi there are agents, paid by the Western powers who make up false information about the situation in Afghanistan. It is not true that the Soviets have bombed several villages. I do not believe in any of these reports," states the party chairman.

His quick and negative attitude towards the aforementioned, can only bring back memories about the people who long ago said "we do not believe in these reports," about the Nazi concentration camps, about the Soviet Gulag, about massacres by Red troops. And all these people were in error! This should make room for some doubt, even for the chairman of the NKP, who, in the very same interview declares that "I continue to defend the Soviet actions in Afghanistan. The entire question boils down to taking a realistic position." And the reality, according to NKP and how it is being announced in Moscow and preached in Norway, amounts to there being "no truth in the Soviet bombing of a number of villages."

During the first confused weeks following the invasion of Afghanistan at Christmastime last year, the lack of information might have served as an excuse to whitewash the Soviet military adventure. But today, no such excuse can be found. Numerous travellers have in the meantime visited Afghanistan and seen with their own eyes the devastated villages. A number of reporters from many highly regarded newspapers, radio and TV stations in the West, have, independent of one another, gone into the country and have returned with reports of villages bombed from the air. And during

the last 7 months only Soviet planes have been operating over Afghanistan. Even the Soviet newspapers have stated very clearly, that the waging of war to a certain degree, is taking place in Afghanistan. The war reports do not come entirely from the "agents, paid by the West," according to Knudsen.

It does not surprise us that Knudsen and his five promise party members have a different interpretation of what takes place in Afghanistan, than other people in this country, but it disturbs us that a party which claims to be considered responsible in Norwegian politics, lives through a real life experience, and is not influenced by what takes place right now in the world of realities: in Afghanistan.

Questioned by ARBEIDERBLADET on which issues the NKP hopes to gain votes from the working class, Knudsen replies: "Through our engagement for peace!" This may in his case explain the phenomenon which the psychologists refer to as suppression. The NKP is at the same time engaged in the peace movement and for the politics of the Soviet Union in Afghanistan, by simply refusing and suppressing that the Soviet troops are carrying on a tough, bloody and prolonged war, against important sections of the Afghan people.

One should refrain from making it that easy for oneself in politics, because history has proved how dangerous those politicians turn out to be, who cannot spot nuances and who never perceive any doubts. For these people, a five promise support, is five too many.

9657
CSO: 3108

LABOR PARTY CHAIRMAN DISCUSSES 'CONSERVATIVE WAVE' CHALLENGE

Oslo ARBEIDERBLADET in Norwegian 26 Jul 80 p 6

[Article by Per-Arne Bjerke]

[Text] "To a great extent, it is the Labor Party itself that will determine the outcome of the election."

"The conservative wave must be stopped and it is our task to stop it."

"Of course, our goal is an absolute majority and continued Labor government. But a party that believes in the parliamentary system as strongly as ours must always be willing to participate in giving our country an effective government."

These are the words of Labor Party chairman Reulf Steen. In an interview in ARBEIDERBLADET yesterday he made it clear that he is prepared to accept a new term as party leader.

"It would be devastating if we were to have now a divisive debate over personalities instead of concentrating on the political tasks. There is currently peace in the Labor Party. Our members will not accept a battle among their foremost elected representatives, which could hurt our chances for an election victory in 1981. Nor is there any basis for such a battle," Reulf Steen says.

"Just how great are the chances for a Labor Party majority next year?"

"The Labor Party itself will determine the election results to a great extent. Our opponents are marked by internal disputes. They have no comprehensive opposition policy and there is no united political alternative to the Labor Party. The Labor Party government has achieved results in economic policy that are unique when compared to other countries. We also have the best ideological prerequisites for creating a policy for the eighties. But we have previously seen examples of the Labor Party being its own worst enemy. It is primarily the Labor Party itself that has the possibility of ruining things for the Labor Party, to tell the truth. The most important task now is to create a comprehensive program

for the government and the party. It must be a program that provides a strong guarantee of security in a world marked by greater insecurity than any time since the Second World War."

"Is it possible that the Labor Party may seek cooperation with other parties to secure a majority?"

"Our goal is to gain a majority, thereby creating the foundation for a continued Labor government. There must never be any doubt about that objective. But a party that believes in the parliamentary system as strongly as the Labor Party must always be prepared to help provide the country with a government. Politics within our parliamentary rules means exercising the greatest possible influence over the development of our society. We must be free to evaluate how we are to manage that, based on the political composition of parliament at any given time."

"Why do you believe the Conservatives made such advances during the seventies?"

"We must take part of the responsibility ourselves. Materialism--in the vulgar sense of the word--stimulates conservative currents and harms solidarity. The ethical message of the labor movement must come more to the fore and I agree with Sissel Ronbeck when she emphasizes the necessity of reinforcing the feeling of ethical responsibility and pointing out the values of the labor movement."

"There has been a conservative wind blowing throughout the world. However, experience from other countries indicates that it is not impossible to take up the struggle. There was a Social Democratic election victory in Austria. In Germany the Social Democrats are in a good position going into the elections."

"The conservative wave must be stopped and it is the task of the Labor Party to stop it. The eighties call more than ever for Social Democratic policies. Both nationally and internationally it is solidarity and joint responsibility that must form the foundation for our policies if we are to solve the totally new tasks facing us in the light of the technological revolution and, above all, in the work for peace and detente in the world."

"How would you evaluate the effectiveness of a possible nonsocialist government, on the background of the performance in parliament in recent years and last summer's quarrels?"

"A nonsocialist government would be characterized by internal conflicts, political bickering, and the inability to act. There were also conflicts when Borten became prime minister in 1965 but dissension has grown and the internal conflict is being expressed much more strongly today. For example, Kjell Bondevik is absolutely correct in saying that the Conservative Party today is a different party than it was in the sixties."

"Yesterday, Tor Halvorsen told ARBEIDERBLADET that it is now time to strengthen the influence of employees at their places of work. Do you agree with Halvorsen's appraisal?"

"The policies of the labor movement in this area shall be shaped in the party program and in LO's (Norwegian Federation of Trade Unions) program of action. I believe we will have no problem reaching uniform positions."

"The new technology means that we cannot simply speak of greater influence at the individual place of work but increased democratic management of the entire technological development. We are facing a situation in which just 20-25 percent of the working population will be employed in production, in industry, agriculture, and fishing. Thus, along with shipping and oil, one fourth of the actively employed people must provide the country with the income necessary for us to maintain our welfare. To manage this we must have an industry that can compete with other countries. This means we must put new technology to use. But we must do this without having it lead to increased unemployment, greater social differences, and slum formation."

"How much growth do you believe there is room for in the eighties?"

"We must be prepared for less growth in gross national product than we have been accustomed to for the past 30 years. In the wake of that statement follows the fact that we must construct our social policies in such a way that our resources are used where the need for them is greatest. This means, among other things, within the housing sector."

"During the eighties we must place more emphasis on the intangible values," Reulf Steen says.

"Our task is to take positions signifying that human prosperity and a meaningful existence are not simply expressed as access to more and more material goods. Opinion polls show that right now conditions are favorable for pessimism. This is easy to understand if we look at the present world situation. On the other hand, people have acquired the tools that make it possible to fulfill the classical goal of the labor movement--that each person shall render according to his ability and receive according to his need. This is the inspiring opportunity presented to us by the eighties," says Reulf Steen.

9336

CSO: 3108

GROUP IN LABOR PARTY FORMS TO OPPOSE DEFENSE POLICIES

Oslo AFTENPOSTEN in Norwegian 3 Sep 80 p 4

[Article by Morten Fyhn]

[Text] Central aspects of Norway's foreign policy and defense policy, as well as the way in which important decisions are reached, are now being openly criticized by a group of prominent persons within the Labor Party, the trade union movement, and environmental scientists. Starting with the development of weapons technology, the arms race, and the need for détente, they are calling for rethinking and possible reappraisal of the official position on these questions.

A collection of articles is being prepared for publication on questions that bear directly on the current discussion, particularly within the Labor Party and the government, of détente and of the stockpiling of military equipment in advance. According to AFTENPOSTEN's understanding, the initiators are prepared for the book to create a stir and perhaps also lead to conflict within the party in power, which is still licking its wounds after the heated debate last fall on new NATO rockets in West Europe. But it is precisely the desire for debate that is the main motive behind the publication of the book. They are of the opinion that there is a great need to present points of view and arguments that, as they assert, have not been brought out clearly enough hitherto. The articles are by several authors. The book, therefore, is not aimed at laying out any new course or proposing specific recommendations other than those advanced by the individual authors on their own account.

The contributors to the book include: Einar Gerhardsen, former cabinet minister, who writes on Norwegian base policy and atomic policy; Ambassador Jens Evensen, on Norwegian security policy in the 1980's; Father Hallvard Rieber-Mohn, on the church and weapons; and the researcher Martin Sæter on cooperation and security in the northern regions, to name a few. Prof Erik Alfson, researcher Sverre Lodgaard, school director Helge Sivertsen, the historian Knut Einar Eriksen, editor Jostein Nyhamar,

and members of parliament Kirsti Grøndahl, Anne-Lise Bakken, Inger Lise Gjörv, and Ingrid Eide (all from the Labor Party) will also contribute to the book. The chairman of the Finnish Social Democratic Party, Kalevi Sorsa, his Swedish colleague Olof Palme, and the internationally known disarmament expert Alva Myrdal are among the invited contributors from other Scandinavian countries. Mrs Myrdal will take as her subject the Scandinavian perspective since 1945, with emphasis on the state of the so-called Scandinavian balance.

The editorial committee for the book consists of Torbjørn Jagland, chairman of the youth organization of the Labor Party; Jostein Nyhamar; former secretary of state Anre Treholt; and office head Sverre Berg Johansen. Johansen is on leave from the Ministry of Foreign Affairs and is now working at Labor Party headquarters.

Berg Johansen and Treholt have both worked under Jens Evensen, who has long occupied a central position within the set in the labor movement from which the book emanates in part. For several years Evensen has been holding meetings in his office at the Ministry of Foreign Affairs, both as minister and more recently as ambassador, at which selected and in some cases highly placed persons discussed various current political questions on an informal basis. Since the debate last year on NATO's modernization program these meetings, which have not been held regularly nor always had the participation of the same persons, have concentrated especially on disarmament questions and defense and security policy.

It has been emphasized to AFTENPOSTEN that the meetings have been first and foremost for the purpose of conducting "adult education"; i.e., attempting, by inviting experts in various fields, to get a better insight into military strategic and weapons technological thinking and development.

The debate book that is now under preparation is not derived directly from the "Evensen group," even though several of the contributors have participated in the meetings.

From what AFTENPOSTEN understands, many of these participants are not very happy with the way important decisions on matters of security policy are arrived at in the Labor Party and the government. Practically all of the Norwegian contributors to the book were opposed to Norway's going along with NATO's modernization program last fall, and are of the opinion that far more thorough and open debate of such questions is needed in Norway than took place that time.

It is emphasized that advance stockpiling as such does not occupy a central position in the discussions within the more critical part of the Labor Party, but rather the broader aspects of the arms problems. They want debate on the atomic strategies of the superpowers and their consequences for Scandinavia and for Norway, and on what Norway can do and what the consequences of Norwegian decisions are.

It was further emphasized to AFTENPOSTEN that this is far from being a "no to NATO" group. On the contrary, they want to discuss openly the new challenges with which the world is faced in the light of recent technological, political, and economic developments, in order to be able to lay out a new and different Norwegian course. The debate book is expected to be published in about 6 or 8 weeks by Tiden Norsk Forlag.

8815

CSO: 3108

GOVERNMENT HOLDS OUT FOR 'IDEAL' OIL CONTRACTS WITH FOREIGNERS

Bonn DIE WELT in German 10 Aug 80 p 9

[Report by Reiner Gatermann, datelined Stockholm: "Norwegian Wishful Thinking"]

[Text] Norway wants to sell its black North Sea gold as dearly as possible. In this effort it has developed many unexpected and surprising talents. Just lately it barely missed with its attempt to be the first country in the world to charge the same price for natural gas as for oil. According to Minister of Oil and Energy Bjartmar Gjerde that would have been only right and proper because, in the opinion of his government, oil and gas are energy sources of equal value and in equal demand.

Though Oslo had to shelve this plan--at least for the time being--, the Norwegians continue to cherish another one which also will not easily be carried. Any of the foreign companies wishing to share in the oil wealth of the North Sea must offer continental Norway industrial cooperation and investments. Norway does not intend to become a European Kuwait where oil kroners pay for everything while the citizens merely lounge around. On the contrary, the country wishes to build up its traditional industries parallel to the offshore sector. Accordingly they are thinking of tempting foreign investment by the promise of North Sea oil.

Many firms made a brave stab at meeting the wishes of the "European Arabs." Here they shared in the build-up of the petrochemical industry, there they concluded delivery contracts for truck parts. Others are trying cooperation in steel production based on North Sea natural gas and Swedish ore.

Germans, French, Americans and, not least, the Scandinavian countries took soundings in Oslo, presenting proposals, plans and suggestions. But all putative partners are bound to admit that results so far have been meager. Minister Gjerde explains: "Just like other governments we were mistaken in our assessment of the possibilities of cooperation." One of the reasons he cites is the natural conflict between the interests of private enterprise and those of the state. While governments wish to secure energy supplies for their countries by long-range delivery contracts for oil and gas,

most private entrepreneurs who are to provide the offsetting service ask themselves: What does it profit us to establish ourselves and invest in Norway?

Certainly Norway has much to offer: Energy, a skilled labor force--though it is none too large--and a reasonably steady labor market. But the price is high. Norwegian investment and production costs are among the highest worldwide. And that scares off many outsiders, especially because the government has not so far been prepared to facilitate the possibly desirable establishments by granting tax relief.

Altogether, Oslo is none too helpful in the search for appropriate projects. The country is fully aware of its strong position, enjoys and exploits it. Bjartmar Gjerde: "Norway has never asked for government negotiations. The offers always came from the other party." That may be quite correct; after all, his conditions are known abroad.

Not known there, however, is the fact that the Oslo Government hardly considers it necessary to study its own terrain in order to draft precise plans for the industrial development of the country. As the Energy Minister puts it: "If we knew exactly what we need and where we want to locate industry, we would not have to ask anybody." Considering this attitude it is not surprising that interested parties, though initially willing to cooperate, soon opt out. At the conclusion of the visit of a foreign delegation, for example, the comments ran like this: "If only the Norwegians would come out and tell us what they really want and on what terms. As it is, we are constantly groping in the dark."

The following is the ideal likely to be cherished by the government: They want a labor intensive and technologically advanced industry which does not unduly disturb the social structure of the region where it is to be located, does not interfere much with the environment and, lastly, turns out products much in demand abroad. It is really not surprising that no investors have so far been forthcoming. For the time being the Norwegians can afford this, especially because the country has hardly any unemployment.

On the other hand Norway has already traveled a good deal from its initial goal of keeping some kind of a balance in the continental foreign trade. In the first 6 months of 1980 the balance of trade, excluding ships, drilling rigs, oil and gas, showed a deficit of (converted) DM6.18 billion. Compared to the previous year that means a 59 percent increase.

11698
CSO: 3103

DROUGHT, RESERVOIR LACK TO CAUSE INCREASED ENERGY IMPORTS

Oslo AFTENPOSTEN in Norwegian 2 Sep 80 p 29

[Text] The energy situation in Norway today is serious and worrisome because of low reservoirs and poor inflow, AFTENPOSTEN is informed by Karl Nilsen, department head in the State Power Plants. We have already begun to import power at the "coal price" from Denmark and at a fixed price from the USSR. A decision will soon be reached on whether we shall import more power from Sweden and Denmark at the "oil price." If we do not get considerably more precipitation than usual, the shortage of energy reserves will cost us many hundreds of millions of kroner.

The State Power Plants will have a meeting Wednesday [3 September] with the Coordinate [power companies] to discuss the worrisome situation, the background of which is that last winter there was considerably less snow than usual over most of Norway. There was especially little in West Norway, in Trøndelag, and in the North Norway counties. In the same areas the flows in the streams have shrunk greatly throughout the summer. They are from 25 to 50 percent of the normal. Only East Norway has had plenty of precipitation, and there are no power plants there.

"The water in the reservoirs is now about 73 percent of capacity, as compared to nearly 90 percent at the same time last year," says Karl Nilsen. "Ever since Midsummer [24 June] the flows have been far below normal. They should be raising the level in the reservoir now, but instead the water is going directly into production."

Last year Norway had net energy exports of 4.6 billion kWh. According to Nilsen no energy has been sent out of the country since Midsummer, except for short-term assistance during machine breakdowns.

On 1 August the supplying of unguaranteed power to big industries was stopped. That does not mean that the customers were disconnected, but

they had to start paying for incidental power, which is many times as high, partly because part of it is imported.

"There will not be a crisis, but the lack of precipitation can be very expensive," says Nilsen, who is hoping for rain far above normal for the time of year before frost and winter come. "Normal precipitation is not enough to correct the situation," he says.

8815

CSO: 3108

CONSERVATIVE PARTY PRESENTS PLATFORM FOR 1980'S

Oslo AFTENPOSTEN in Norwegian 3 Sep 80 p 5

[Text] "Our proposals on tax relief are not 'costly measures,' but a means of increasing willingness to invest and productivity. At the same time the rise in public and private consumption will be reduced and there will be a number of changes in priorities. In that way it will be possible to carry out the measures that are necessary in the 1980's," said Rolf Presthus, member of the Storting, when as chairman of the Conservative Party's platform committee he presented the first draft yesterday of the platform for the coming 4-year period. He described the result as a good basis for real coalition negotiations with the Christian People's Party and the Center Party.

"The voters have a right to know where the disagreements are between the three parties, but nothing in our draft platform is of such a nature that it would make the formation of a government difficult," it was insisted at a press conference where the various parts of the draft were set, to a greater degree than previously, in an ideological framework. The basic Conservative principles, e.g. the ideas of diffusion of power, protection of the right of private property, real democracy, Christian values, etc. stand out clearly in various connections.

Some points caused the platform committee a good deal of trouble along the way. Opinions were divided, particularly in the field of family taxation. They wound up with a proposal to introduce a tax category 3, at the same time that it is proposed to increase the child allotment in the years to come. That way both wings, those who went in for separate taxation of spouses and those who put the main stress on cash transfers and tax deductions, would be satisfied to a reasonable extent, Presthus said.

The draft platform contains a provision that the price of public services should to a greater extent come up to a realistic level; i.e., that the

public will have to be prepared to pay a higher rate for certain services. At the press conference Presthus was not willing to name specific examples of services which will be considered for such price increases.

The Conservative Party will go through field after field to find services for which it is desirable to have a better balance between the real costs and the price people pay, he said. Such things... [text missing]

...proposal(s) to the national meeting of the party in March 1981.

Besides Rolf Presthus, the platform committee consisted of Kaci Kullmann Five, Kjell Hanssen, Leif Arne Heløe, Lillian Herlofsen, Thor Listau, Johan C. Løken, Håkon Randal, and Martha Seim Valeur.

In a comment on the draft platform by Sveinung Lunde, chairman of the Young Conservatives, a wording to the effect that Norway must at least meet the United Nations' goal for aid to undeveloped countries as a pure accident on the job.

Main Points of the Conservative Party Platform

In its draft the Conservative Party's platform committee goes in for a revision of the individual income tax, including a considerable flattening of the progression in all brackets; the tax differential is to exceed 40 percent only for the highest incomes. Bigger deductions for the lowest incomes.

Full employment is the Conservative Party's chief objective, a thing that presupposes a social market economy and a strong, growing economy.

In particular, efforts must be made to strengthen small and medium-sized concerns.

Systematic build-up of the armed forces with the necessary modernization, in line with the Defense Commission's recommendation. Extensive stock-piling in advance and good training facilities for allied troops.

Data processing technology to be utilized for decentralization of work assignments and decision-making authority. Estimates made in consultation without a veto power. Licensing arrangements are rejected.

An understandable and freer housing market. Residents must be allowed to choose the form of organization themselves; right to dissolve housing co-operatives and establish occupant-owned apartments to be reintroduced.

Planning work to be speeded up--and softened up--to increase the rate of summer home building.

Moderate oil extraction tempo. Statoil's monopoly to be broken up. The Oil Directorate to be strengthened, partly by a competitive wage policy.

Energy consumption to be stabilized in the 1990's. Room for both expansion and protection of existing watercourses. A heat-engine power plant can be accepted; nuclear power is not practical for this century; put stakes on alternative sources.

Increased benefits to families with children; a tax category 3 to be introduced. Increased opportunity for part-time work and reduced hours for parents of small children. Real economic freedom of choice with regard to working in the home or outside of the home.

Increased expansion of kindergartens; the objective is providing for all children. Paragraphs on Christian objectives included in the law; in appointments the owners shall have the final word.

Economic democracy must include various models of individual and cooperative ownership. All who wish it must be given real opportunities to participate in the ownership of the means of production. More favorable savings arrangements.

Industry to be subject to respect for the environment and for nature, health conditions and working conditions, and a defensible management of resources. The environmental authorities must be in on all planning at an early stage.

Possibilities of EC contacts to be better utilized; aid to underdeveloped countries must at least meet the United Nations norms; Norway supports a new economic world order.

The establishment law to be replaced with positive measures in land development.

The state's participation in urban renewal to be increased.

The fishing fleet to be modernized; export monopoly rejected.

Care must be taken to maintain the income standards for agriculture.

Mass transport to be strengthened so that it can take over a greater part of the traffic. The telecommunications service to be analyzed; supplying of new equipment must not be monopolized.

Cost consciousness in health and social services to be strengthened, partly by the establishment of an institute of health economy, so that all tasks continue to be performed satisfactorily. Crisis centers and family counseling offices assured of public support.

Main emphasis on preventive and supportive measures in the alcohol policy. More treatment facilities for narcotic addicts.

Church assured of economic freedom of action, etc., within certain limits.

Core curriculum back in the center of school subjects, marks retained, access to instruction by groups reintroduced.

Sports that benefit the majority are given priority.

NRK's [Norwegian Broadcasting Corporation] monopoly to be abolished; general access to radio and TV broadcasts.

8815

CSO: 3108

BRIEFS

ELECTRICITY PRODUCTION DROP--This past June electricity production dropped by 7.4 percent compared to June 1979 while domestic electricity consumption increased by 1.5 percent, preliminary figures from the Central Bureau of Statistics show. Production in June of this year was 5,552 million kWh. The increase in gross domestic consumption is 4.4 percent compared to the last two 12-month periods. Gross consumption includes temporary power to electric boilers. The figures are not temperature corrected. The power exchange with Denmark, Sweden, and the Soviet Union showed an export surplus for June 1980 of 55 million kWh, compared to an export surplus of 476 kWh in June of last year. Consumption in power-intensive industries increased by 1.7 percent during the first half of this year, compared to last year. During the past 12 months consumption in power-intensive industries increased by 4.7 percent over the same period a year earlier. [Text] [Oslo AFTENPOSTEN in Norwegian 5 Aug 80 p 4] 9336

CSO: 3108

VPR URGES PALME TO BLOCK COALITION

Stockholm SVENSKA DAGBLADET in Swedish 27 Aug 80 p 2

[Editorial]

[Text] We have seen party members sharply criticize their party leaders before, of course. Olof Palme has not escaped such attacks from his own party members. But what is happening now is remarkable. For the first time the communist leader is being presented as a model for the Social Democratic party chairman.

It was the newspaper DAGBLADET (Social Democratic) in Sundsvall that placed Olof Palme in this painful situation in an editorial on Tuesday.

Look at Lars Werner! Listen to what he said in parliament when the extraordinary session met on Monday! That's the way Palme should be acting! That was the substance of the DAGBLADET criticism of the Social Democratic party chairman.

There is a conflict between the Social Democratic party leadership and the chorus of (socialist) press voices demanding harder moves, a vote of no confidence in the Falldin government and that Palme work for a new election, preferably in an active way. These were the demands made by Werner! It is also interesting to note that the non-socialists are also making more frequent and blunter appeals for the Falldin cabinet to start ruling.

Thus mounting dissatisfaction can be detected in the government camp as well as in the ranks of the Social Democratic opposition. The question is which of the two groups will manage to curb this first, not by checking the criticism but by leading it into constructive channels.

It appears that the Social Democrats--there is reason to concentrate on the opposition on the basis of the DAGBLADET editorial--are plagued by a serious dualism. On the one hand many people in the party, such

as Kjell-Olof Feldt, must be aware of the gravity of our economic situation and the steps that should be taken to deal with it. On the other hand the Social Democrats seem to be totally baffled with regard to which steps to take. They are tied by the LO [Swedish Federation of Trade Unions] position on the value-added tax. With regard to the public sector the leaders are paralyzed by the opinions of their own members.

It remains to be seen what the Social Democrats will say in the motions to be made toward the end of the week on the basis of the bills calling for an increased value-added tax and higher taxes on specific items. So far the picture of the Social Democratic policy has been divided, not to say formless. At times they admit the gravity of the economic situation but the next minute they reject the advisability of limiting purchasing power. Kjell-Olof Feldt took a beating when he pleaded in an article for restrictions in the public sector as well.

There is really only one major and cohesive theme in the opposition: the government measures are morally repugnant. The Social Democrats are the ones who represent a form of higher political morality. But what this exalted morality can accept in the way of measures to deal with our acute economic problems has been kept a secret.

There can be two reasons for this remarkable attitude. One has already been mentioned: LO sets the limits within which the Social Democrats can operate. Olof Palme is not allowed to describe reality in such a way as to make LO's pressure for contract results appear economically irresponsible.

There is another reason. Ever since the government changed hands in 1976 Olof Palme has based his criticism of his successor, Thorbjörn Fälldin, on moral grounds. Fälldin has let us down. Fälldin has shifted course. Fälldin does not speak the truth. The latest is that the poor Social Democrats were totally deceived when they sat down and discussed the economy with the government in the Chancellery Building.

But who can be surprised by higher item taxes on gasoline and oil--since such taxes have been discussed for months as a way of reducing our dependence on oil?

For Olof Palme a higher value-added tax is not a way of reducing buying power in a tight economic situation but an immoral action against the unions, a peculiar way of looking at things, to put it mildly, in view of the responsibility of our rulers for the national economy.

It may be that this moral indignation exists in order to conceal his own lack of concrete proposals. If so this has led to the paralysis that caused DAGBLADET in Sundsvall to express its concern that Werner is winning points while the Social Democrats are keeping quiet.

6578

CSO: 3109

FALLDIN AGONIZES OVER DECISION MAKING, MANAGES POORLY

Stockholm SVENSKA DAGBLADET in Swedish 27 Aug 80 p 2

[Commentary by Ola Gunnesson]

[Text] "The devil should be the chief of state," Thorbjorn Falldin must be tempted to exclaim just now when Center voters are defecting and various groups, including business groups, are directing harsh criticism against the government and the prime minister personally.

Under some circumstances ruling power is a good thing for a political party to have. Ruling power gives access to the Chancellery and the whole committee apparatus. Ruling power gives those who have it political initiative; the mass media are naturally more interested in what the government has to say than in what the powerless opposition can come up with.

Ruling power is especially good to have when the economy is good and the rulers can offer citizens welfare reforms and a higher standard of living.

If times are harder it is a more thankless job to sit at the helm of the nation. The non-socialist governments have really experienced that truth.

Much of the criticism now being directed against the government is an indication of dissatisfaction resulting from the nonfulfillment of exaggerated expectations. No matter how powerfully the Falldin government handled things it would scarcely have emerged as a popular one in the economic situation we now find ourselves in.

That is one thing. It is quite another that there are good grounds for criticizing the behavior of the government. The government delays making decisions much too often, it has a hard time taking the political offensive even in a situation where the nation is calling for offensive efforts.

Perhaps cooperation within the government cannot be called directly poor but it cannot be called impressive either.

And the chief of state personally seems to suffer from a permanent indecisiveness. But not all the fault is his. Part of the government's dilemma is the existence of a mood of distrust between the Conservative and Liberal leaders. Due to this mutual inability and/or unwillingness to cooperate they have a hard time giving Falldin a push forward.

The government's ineffectiveness is highlighted by the lack of an offensive industrial policy program.

In the present situation--it goes without saying--the entire government and the combined resources of the administrative staff should be mobilized to promote production and industrial competitiveness. That is the way out of Sweden's difficulties, one that will enable us to retain a strong public sector at the same time.

In defense of the non-socialist governments it must be said that they have had their hands full of acute problems calling for costly efforts to protect jobs, efforts of a primarily defensive nature.

But the one-sided orientation of this type of measure cannot be defended in the long run. Offensive measures are needed to increase profitability in Swedish industry. And it should not be hard to come up with a series of steps as long as the government is prepared to act in a pragmatic way.

One problem in this connection is that very few members of the government have had much experience with the terms of profitability (with the exception of farming). In short they have never learned how to make decisions in the quick and efficient way needed in a business that intends to survive and expand.

If that is the way things are--and unfortunately this seems to be the case--the Falldin government should try to analyze its own weaknesses and find ways to overcome its deficiencies. Criticism of the government is now so widespread that the head-in-the-sand approach won't work.

Nor does it help to lament over malicious and injudicious critics.

The entire cabinet should openly and honestly examine the deficiencies in its way of functioning. It is senseless to try to conceal the fact that there are weaknesses and that they affect all the parties that make up the coalition government.

In particular it is up to Thorbjorn Falldin to take the initiative in presenting measures that will strengthen the effectiveness of the government.

SVENSKA DAGBLADET has suggested time after time that the government equip itself with an inner cabinet with the idea of coordinating the views and efforts of the three government parties. Both psychologically and practically such a reform should lead to a better system.

That is one method. There may be others. But no matter what it is clear that the time is ripe for the Falldin government to take the political offensive.

It would certainly be much more stimulating to exercise ruling power if the impression of vacillation and confusion could be replaced by farsighted political decisiveness--especially in the area of industrial policy.

It would also undoubtedly be much more pleasant to be the head of the government.

6578

CSO: 3109

VPK'S WERNER ATTACKS NORWAY PRE-STOCKAGE PLAN

Stockholm SVENSKA DAGBLADET in Swedish 27 Jul 80 p 2

[Article by Zel Waldemarsson: "VPK-Werner and Norway"]

[Text] Soon all the four democratic parties in the parliament will have made their summer appearances in Almedalen outside Visby. In addition, the communists appeared with Lars Werner at the rostrum.

In Werner's television appearance in connection with the speech in Visby, a feature emerged that is worthy of note. The communist leader asked outright a couple of times why Sweden does not discuss what is about to happen in Norway, which he refers to as our neighbor to the left.

The leader of the Left Party Communists [VPK] obviously was referring to the talks that are taking place about prepositioning American, British or Canadian heavy weapons on Norwegian soil. It is not the nuclear issue and therefore there is no talk about any change in Norwegian basic policy.

Moscow's Voice

VPK has landed in the same dilemma that the communist parties in the West are always confronted with when the international climate freezes down to the level of the cold war: that is taking a stand. Prague, Budapest and Afghanistan are landmarks they cannot pass.

To be sure, Werner has verbally taken a stand against the invasion in Afghanistan--but at the same time, with an attack on the United States, he in return got closer to creating a distance between himself and Moscow.

Werner, as Moscow's voice in Sweden, maintains a sharp contrast to the almost democratic tone he succeeded in starting during last year's election spurt.

VPK's color is therefore not the Falu-red C. H. Hermansson always wants to assign to the party. It is solid Moscow-red.

Under Russian Pressure

It may be assumed that Werner belongs to that communist choir which with the Soviet party organ as the leading singer, gradually raises the voice over the crucial decisions that Norway will take a stand on in the beginning of 1981.

Here in our country it has not been sufficiently observed that during the last decade Norway has been subjected to almost incessant Soviet pressure.

Between the two countries there is a conflict involving a series of controversial issues. The boundary issue in the Berents Strait still is no closer to a solution. Moscow's dissatisfaction over the choice of the peace prize winner is well-known. It has also been noticed by the Kremlin that Norway is the only Nordic country that did not participate in the Olympic Games in Moscow.

Correct--Although Wrong

We should pay attention to Norwegian defense-and security policies. We must form an understanding based on the standpoint of the Norwegian democratic institutions. We must take the appropriate measures in the proper sequence and also assess our own defense policy.

Werner is therefore correct--although from other viewpoints than his own.

The interview Thorvald Stoltenberg, the social democratic minister of defense, granted the ARBEIDERBLADET [Social Democrats], the organ of the administration, after his return from Washington, gives an excellent and interesting viewpoint. Stoltenberg was in Washington at the invitation of the American Minister of Defense, Harold Brown, where he discussed the plans of prepositioning weapons in Norway during peacetime.

--The effectiveness of the Soviet air- and marine-strength has been greatly improved through higher quality. This means that during crisis they can cut off reinforcements to Norway from the West faster and over larger areas than before. Thus Stoltenberg sums up the Norwegian viewpoint.

Norwegian Plans

The plans to preposition a certain amount of heavy equipment even in peacetime happen to be Norwegian. The aim is that such prepositioning will increase the credibility of defense and security policies.

During all the post-war period the Norwegian strategy has been based on quick aid from the outside in time of crisis. A certain action is now being taken in the prepositioning of certain equipment--it was initiated during the 1960's--fuel, airplane parts and ammunition.

Stoltenberg emphasizes that the Norwegians have for many years been working towards obtaining an allied "ear-marking," that is to say troops and equipment directly intended to be sent to Norway in time of need. However, the Canadians are the only ones who have supported the Norwegians by committing 4,000-5,000 men.

The British have, up to now, said no. The United States now seems to be prepared to listen positively to the Norwegian wishes.

No Rearmament

The Norwegian defense minister rejects all talks about the prepositioning implying military rearmament.

--The basis is our own security, says Stoltenberg. The prepositioning of fuel, means of transport, guns and missiles to defend the airfields cannot be viewed as a provocation...

No concrete negotiations have taken place. They will begin when the so-called Bruland-committee has finished its evaluation of the Norwegian standpoint in the beginning of 1981.

In the guidelines the American Marine Corps has made for the 1980's four main alternatives are to be found. One of the alternatives is the strengthening of NATO's Nordic flank--the Nord Cape.

The Four Alternatives

The alternative is that the United States prepositions equipment for one Marine Corps brigade in Norway; equipment for four brigades in Denmark; for one-third of a brigade in Iceland and for two-thirds on marine vessels.

(The spokesman for the Social Democrats in the foreign relations committee in the Danish parliament, Lasse Budtz, explains in a report in the BERLINGSKE TIDENDE that he is in favor of prepositioning weapons "So that we are prepared to receive the support we would expect to arrive during a war situation.")

It is natural that the talks in Almedalen are dominated by the economic affairs. Nevertheless, the tense world situation should have caused more thorough evaluations of the foreign policy. In the shadow of the Moscow Olympics the tensions that will affect our defense debate, continue--the serious debate and not the debate that Lars Werner outlined in Russian red.

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COUNTRY HOPES NEW USSR FIVE-YEAR PLAN TO AID EXPORTS

Exports to USSR Down

Stockholm SVENSKA DAGBLADET in Swedish 21 Jul 80 p 15

[Article by Lars-Georg Bergkvist: "The Soviet Trade Got Stuck: Ivan Cannot Afford To Buy Swedish Goods"]

[Excerpt] Swedish athletes have been welcomed at the Olympic Games in Moscow, but it is rough for Swedish businessmen when they try to break into the Soviet market. The bright prospects Swedish export faced in the East during the 1960's has been reversed into a hard battle over every single small order. Sweden is placing her expectations in the new Russian 5-year plan which will be formed this fall. Asling, minister of industry, plans to go to Moscow to try to charm the son of the great Leonids, Juri] Bresjnev.

The statistics on Sweden's trade with the Soviet Union has been depressing during recent years--at least on this side of the Baltic.

Since the first oil crisis in 1973-74 we have had a constantly increasing deficit: from 988 million kroner in 1975 to over 3 billion in the year before. Last year that corresponded to well over 80 percent of our total deficit in foreign trade.

The import has more than doubled to 4.5 billion kroner in 1979. However, 80 percent--over 3.6 billion--represent oil and fuel for market price which Sweden had to pay to seller.

At the same time the export has stagnated.

Towards the end of the 1960's we believed that Russia would be a great market for us. We have been disappointed, says Sven Lonnstrom, director of LM Ericsson.

'LM Pessimistic

LM received an order for 60 million kroner in 1968. Since then it has only been a matter of small orders--with the exception of a telex station for 25 million kroner that was delivered in connection with the Olympic Games.

I am pessimistic about the future. We can only hope for odd orders of products the Russians are unable to manufacture themselves. Moreover, our business is at least half strategic, says Lonnstrom.

In 1975 Sweden sold products worth 1.2 billion kroner to Russia. In 1978 the export had decreased to 957 million kroner. During the year before, a rise--to 1453 million kroner--was noticed again.

Included in last year's figure was the housing platform, supplied by the Arendals shipyard, which was wrecked off the Norwegian coast. It cost 250 million kroner. We made one time deals in butter, meat and zinc ore for 100-150 million kroner.

Price Too High

More comparisons: In 1975, 1.7 percent of our total export was to the Soviet Union. In the year before it was 1.2 percent. Why? A series of explanations are available:

High Prices--and high relative cost here at home

--That was definitely an important reason for the export race in 1978, says Gosta Anrborg, marketing adviser, who handles the Soviet trade for the Export Council.

--We cannot place orders with them when their prices are 30 percent higher than their competitors--even if the quality was good, was the usual response during the mid-1970's. Devaluations and moderate wage increases have, however, improved our relative position during the recent years, and Anrborg looks to the future with "careful optimism."

--In October-November, a new 5-year plan that will be effective as of and including 1981, will be decided. We hope that the strong branches of our exports--lumber, paper, steel, etc.--will have priority within this 5-year plan.

State Subsidy

The International Credit War

--During the last 10 years the credit terms have become just as important a factor as price and quality when trading with governments and the developing countries, says Director Sven Ljungdahl of the SE-Bank.

During the mid-1970's--on the highest level of administration--France, Italy and Great Britain broke a frame contract with the Soviet Union containing substantial government interest subsidies.

OECD has since then tried to put a stop to the interest war that followed. In 1976 the so-called consensus-agreement: For each developing country and each government trading, a fixed minimum interest was decided when trading with OECD-countries.

In case of the Soviet Union it was 7.25 percent for credits up to 2 years and 7.75 percent otherwise. This was raised by 0.75 percent on 1 July.

New Contract

The 3 countries, however, have been bound by the consensus-interest rate for the remainder of the 1970's. Their contract with the Soviet Union expired last fall and winter. For political reasons, the British and the Italians have not renewed the contracts--which the French did. The terms of the new contract are, however, not known yet.

Can a Swedish exporter demonstrate that a competitor, bound by the consensus-interest rate, can find conventional, inexpensive credits from the Svensk Exportkredit (SEK)--so-called matching. The administration will decide if that demonstration proves positive.

--We look at the future trade with the Soviet Union with pessimistic eyes. We have noticed an increasing stinginess in the administration when it comes to credit subsidies. Up to now, they have only agreed to matching in seven instances, says Ljungdahl.

--Besides, we have established two credit contracts, one with China and one with the Soviet Union. The Soviet contract has already been fulfilled which means that in practice it is harder for a Swedish company to come down on the consensus-interest rate.

"Unsound Competition"

A Swedish exporter may pay 1.5 percent more a year for his SEK-credit than a French competitor pays for his state subsidized credit. If the deal exceeds 5 years, there is an added cost of 7.5 percent--which must be added to the price.

Ulf Dinkelspiel, undersecretary in the Ministry of Commerce, says:

--It is unsound to compete for credit. In fact, Sweden has worked actively within the OECD for carrying the consensus-agreement to a conclusion.

--By way of SEK we have already gone too far when it comes to credit subsidies. That costs money. How much is hard to say. But if SEK must lend at the rate of 15-16 percent on the international market--6-7 percent above the lending rate--it will be expensive. Therefore the credit subsidies must be weighed against other subsidy needs in the economy.

Dinkelspiel believes in continuing progress in Soviet trade, but not in any spectacular increase.

Soviet Shortage of Convertible Currencies

This is manifested, among other things, in an increasing demand for barter deals (see separate article).

--The investment plans have changed during the current 5-year plan. A series of large projects have shot up before other older projects could be finished. This, among other things, has been hard on us, says Ingemar Wisenborn, director of Alfa Laval.

The company is well established in the Soviet Union. It has had great business deals there since the beginning of the 1960's, and a branch office since 1976.--The deals vary greatly from year to year. Taking an average future view, I am not especially optimistic about a substantial improvement. The organizational problems in the country are too great for that, says Wisenborn.

Olympic Games Slow Down

The Olympic Games

--Come back after the Olympic Games is the usual answer today when contacting ministries and official establishments, says Arnborg.

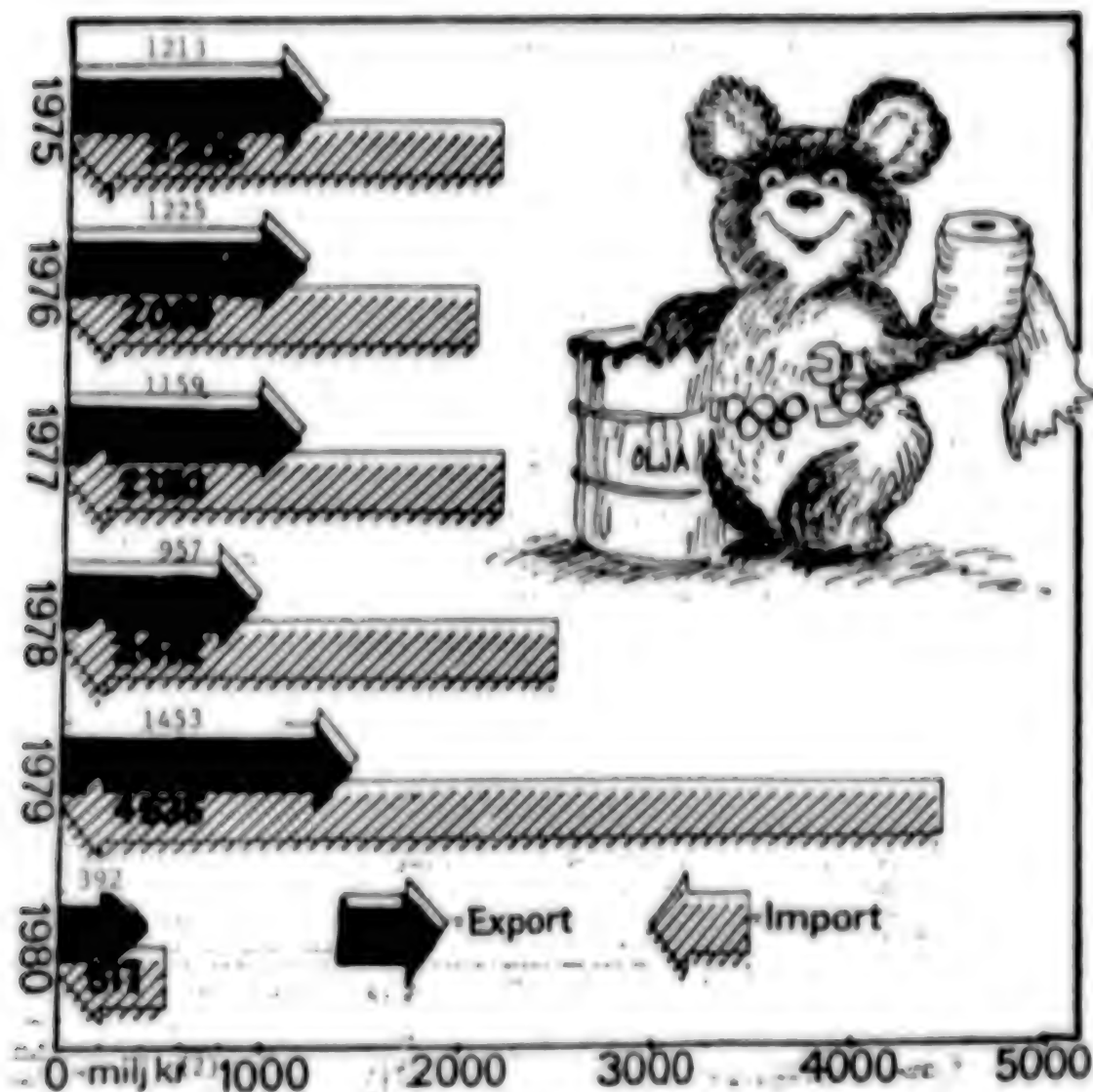
A great part of the investments during the last years have been turned over to projects connected with the Olympic Games--projects some Swedish companies have been part of: The Skanska Cementgjuteriet built a hotel in Leningrad for 500 million kroner; the Stans Corporation supplied air traffic equipment to the Moscow airport which was expanded before the Olympic games.

Barter Deals

Stockholm SVENSKA DAGBLADET in Swedish 21 Jul 80 p 15

[Article: "Exchange Buying: You Don't Exchange Drilling Machine for Caviar"]

[Text] Different from most other Eastern countries, the Soviet Union earlier only sporadically requested direct barter deals from Swedish



Half of our export in 1979--approximately 700 million--was workshop products. Steel export amounted to 200 million and paper export amounted to 150 million. The figures for 1980 cover the first quarter--during last year's first quarter, the export was 272 million and the import 407 million. In 1979 we sold to other Eastern European countries for 3.596 million, while we imported for 3.114 million.

Key: (1) Oil

(2) Million kroner

contractors. Now, however, we see a definite tendency for a sharp increase in such requests. This is what Director Sten Bertling of Sukab--Sweden's Foreign Trade Barter, Inc, says. Sukab is owned by 80 larger companies and handles barter deals, exchange buying and bilateral contracts on government levels, first and foremost with Eastern companies and the developing countries.

Earlier, a large number of exporters were requested, for goodwill reasons, to try to establish themselves as buyers of Russian products. Those deals have been characterized by parallel contracts without being directly interconnected, says Bertling.

Many exporters have lately been forced to enter into regular exchange buying contracts in order to receive the orders. Such contracts stipulate the assortment of products and the minimum amount.

--The exchange of drill-machines for caviar, however, does not work. The Russians strive towards marketing their finished products. Oil, provisions and easily sold raw materials are always excepted. If the exporter cannot fulfill the commitment, he will be penalized.

--The Russians, however, are conservative in their demands in comparison with other Eastern countries. Normally, 5-15 percent of the contract value is covered by exchange buying. The DDR and Rumania, for example, often require 100 percent coverage.

Above all, the Soviet Union is interested in the so-called buyback contracts: The Swedish supplier gets paid in merchandise from the same factory he delivered the equipment to.

A recent example of that is found in Smaland:

Kahrs Maskiner in Nybro have operated in the Soviet for 22 years. The company builds turnkey furniture plants--one or two a year. So far 13 have been delivered in the Soviet Union. The last one--just being opened--is a 3-part contract of 10 million kroner between IKEA and the Soviet Union.

--The terms of the contract are like this: We deliver machines, the Russians send a receipt to IKEA which pays us, and in turn IKEA gets paid in merchandise (bookshelves) from the Soviet Union, says Rune Ottoson of Kahrs Maskiner.

--Those type of deals have advantages for Moscow. The financing with foreign exchange is solved by way of the manufacturing being guaranteed an export volume even before it is built. As the products must be marketable in the West, they feel they have guarantee for the most modern Western technology being supplied.

ENERGY IMPORTS CONTRIBUTE TO RECORD TRADE DEFICITS

Stockholm SVENSKA DAGBLADET in Swedish 19 Jul 80 p 21

[Article by Monica Eklof: "High Energy Taxes and VAT This Fall"]

[Text] The deficit in foreign trade is a record once again. The balance of trade was minus 6 billion kroner during the first half of the year. The explanations given are that the deficit is partly due to the disputes in the employment market this spring, which resulted in a big drop in exports, and partly due to oil price increases which have raised the price of imports.

The bank economists give the following advice for curing the swelling deficit: Cutback in domestic consumption by higher value-added taxes and energy taxes. Foreign borrowing must be used for investments in an energy program instead of using it for consumption.

According to the revised national budget, which was presented last May, the balance of trade for the year 1980 should show a deficit of 7 billion kroner. This forecast is hardly valid anymore.

Instead, we can expect a deficit of closer to 10 billion at the end of the year. This is the assessment of both the SE-Bank and the Svenska Handelsbanken.

Olle Lindgren, chief of the economic secretariat at the SE-Bank, says:

--The first half of the year has been considerably worse than expected, mainly because of the disputes. We are going to regain much of the export losses again this fall, but that will be offset by imports, that is to say still higher oil bills.

--The imports will also be increased somewhat when the wage increases take effect and we get more money to trade with.

Oil for Billions

During the month of May when all the disputes took place, Sweden suffered a 2.8 billion kroner deficit in the balance of trade. In June the net balance was minus 0.9 billion kroner.

The oil import alone has cost 7 billion kroner more during the first half of this year compared with the same time period last year. This is without buying greater quantities of oil.

Therefore the great deterioration of foreign trade. After the first 6 months of 1979, the balance of foreign trade showed a surplus of 760 million kroner. The difference this year is therefore closer to 7 billion kroner, that is to say equal to the amount of the oil bills.

Export Postponement

--This fall we will pick up at least 80 percent of the lost spring export. Large deliveries of paper and raw materials have just been postponed. The workshop industry will also sell towards the end of the economic upturn.

This is what Bengt Radstan says, spokesman for the export forecasting at the economic institute.

The final loss resulting from the disputes will be an export loss of 1 billion kroner, at most, says Radstan.

On the other hand, we must expect much higher oil bills. In 1978 the oil import was 15 billion; in 1979 it rose to 26 billion. This year the bill will be 32 billion for oil.

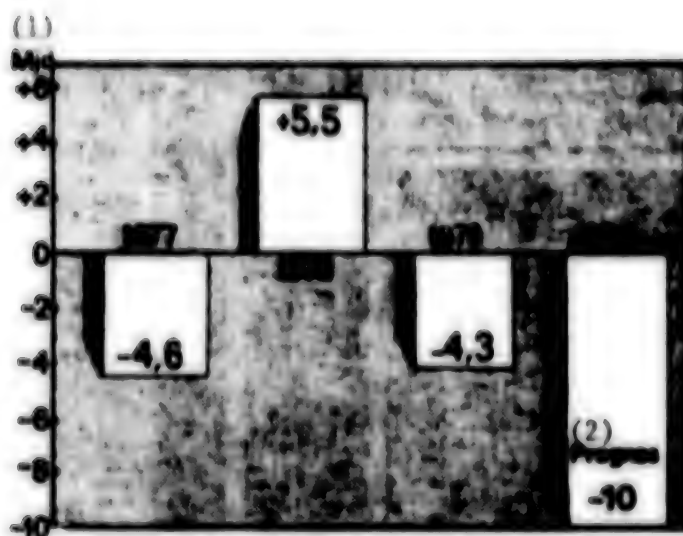
Added to this will be an import demand when the wage earners receive their money resulting from the wage negotiations.

Careful Consumption

The wage increases will, however, hardly affect consumption. Our figures show that the consumers are presently very careful in buying, and that attitude will be maintained when the industrial upswing begins towards the end of the year, says Lindgren.

What should be done regarding deficit:

--As the OPEC-countries cannot absorb their surplus by buying export goods from us, the solution is that we continue to borrow our deficit. The loan should be used for investments in an energy program, which would reduce the oil dependency, and not used for something that can be eaten and drunk, as has been the policy up to now, says Lindberg. [as published]



The deficit in the balance of trade for this year will be much higher than expected.

Key: (1) Billion (2) Forecast

High Value-Added Tax

--In the short run, domestic consumption must also be tightened in order to reduce the import demand. This must be done by raising the value-added tax which I think is inescapable this fall. Energy taxes are another way, thinks Dr Sverker Prasky, an economist for the Svenska Handelsbanken.

The balance of trade comprises the import and export of merchandise. If we add to this all service, sea freight, tourism, aid, etc, we arrive at the balance of barter transactions.

In the balance of barter transactions the deficit is much greater. According to the bank's forecast, it will amount to 20 billion, compared with 11 billion last year.

Continued Increase

As a direct result of the deterioration in foreign trade, the Swedish foreign borrowing continues to increase. During the last week the Riksgäldskontoret [the National Debt Office] borrowed 820 million kroner abroad. The total foreign borrowing has now reached a record amount of 33.2 billion kroner.

The total national debt went up to around 215 billion kroner on 15 July.

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ERBAKAN SETS 19 AUGUST FOR EARLY ELECTION DECISION

Istanbul MILLI GAZETE in Turkish 18 Jul 80 pp 1,9

[Text] NSP [National Salvation Party] Chairman General Necmettin Erbakan, speaking at his eighth monthly press conference called yesterday, said, "If a decision to hold elections early is made in parliament on 19 August, elections will be held on 19 October. The party that is the most sincere about wanting early elections is the NSP. If all the JP [Justice Party] members of parliament attend on 19 August, the decision to hold early elections can be made. This will also be clear evidence as to whether or not the JP really wants early elections."

Erbakan noted that he wished to repeat that his party deems it beneficial to establish a "national resolution and reconstruction government" prior to the elections. He said, in summary:

"The JP administration is dragging Turkey towards a grave end. Anarchy is hanging on in a serious manner. The economic collapse is about to be transformed into social explosions. The solution is a 'national resolution and reconstruction government' or 'early elections.' We put out a call. It is still in effect. We are awaiting an answer from those responsible. As of now, no course leading to a solution has been taken. The situation is becoming more and more serious. A solution has still not been advanced by those who hold the three different viewpoints -- the JP, the RPP [Republican People's Party], and the NSP. This cannot continue to happen. The triangle must be broken. We continue to make our call. This call is directed to the JP, to the RPP, to all the valued members of parliament."

Erbakan, who stated that an NSP legal committee has been formed to study, from the legal aspect, the president's appointment of five quota senators, claimed that 205 members of parliament are ready to support the JP minority government no matter what the price while 214 members wish to oust this government from office at any cost. Erbakan asserted that the NSP plays a key role in swaying the majority one way or the other in the assembly, senate, and Turkish Grand National Assembly. He said, "The parliamentary majority takes the form of the NSP mode of action, and, in this way, the direction Turkey takes is set. We are determined to perform our duty to

our country in the best manner possible. It is because of this that we have come through a period of dynamic work to the present-day point."

Economic Insanity

A large proportion of NSP Chairman General Erbakan's speech at the press conference was directed toward criticism of the government. Erbakan pointed out that, during this government's term, 30 persons have been shot each day because of anarchy and that the government has the goal to take into its claws the entire nation by increasing the number of provinces, which leaped to 20 in its first 100 days in office, that it has "saved" to over 40 at present. He said, "When this government attempted a series of actions under the name, operations, law and order were not restored in any of the provinces in which anarchic activities took place despite the operations, and, to the contrary, tensions have mounted dramatically." Erbakan stated that there are no district officials or police office chiefs in a number of administrative districts. He touched on economic topics and noted that the inflation rate has climbed to over 100 percent and that the middle class has reached the point of extermination in the face of price increases. Erbakan, who asserted that, in 8 months, the government has printed 50 billion liras that was not secured and that devaluation has become "Demirel's principal attribute," described the interest decision passed by the government as "economic insanity."

NSP Chairman General Erbakan stated that investments have completely dried up and that the nation will freeze next year because coal production is not being increased. He criticized the Ministry of Trade for not making price indices public and the DIE [State Statistical Institute] for not making estimates. Erbakan spoke against the government's foreign policy actions. He said, in summary:

"The government, accepting the commands of westerners and the wishes of the Greeks, is continuing to work painstakingly to develop rights that were lost by the Greeks. Now, plane service to Athens and boat service to Rhodes have begun. These are actions that have the purpose of recording and making secure the rights lost by the Greeks in the Aegean region. This government pursues a policy that is tied to the West and that is pro-Israeli. The West's purpose behind having Turkey become a full member of the Common Market is to force Turkey to accept the West's mandate. According to the military bases agreement, it is possible for the bases to be used against the Islamic world at any time. For 7 months, this government has prevented the establishment of a national war industry. While important incidents related to the peace and order of the Middle East have taken place, this government has only remained silent and has shown a desire to develop further its relations with Israel. The total amount of aid Demirel has implied he 'received from the West' in 8 months has consisted only of 6 million dollars' worth of petroleum to Turkey from Iran, Iraq, Saudi Arabia, and Libya to be paid for within a year."

Erbakan claimed that the JP is preventing the proper functioning of parliament, the election of a president, and the passage of laws of a social nature.

Needs Answer by 6 August

At the end of the 1½-hour-long press conference, NSP Chairman General Erbakan answered newsmen's questions on various topics. In response to a question, Erbakan reported that the NSP first worked on a formula for a "national resolution and reconstruction government" and then presented a proposal to the JP and the RPP. He said that, if an answer to the proposal does not arrive by 6 August, a proposal for "early elections" will be made by the NSP.

In response to a question as to whether or not Erbakan believes that election security is possible if early elections are held in October before changing this government, Erbakan said:

"We are not convinced that election security can be a reality with this government. However, with this government in power, the condition of the nation worsens with every passing day, and the danger to election security grows. With this government, it is not possible to say at this time that normal elections will be able to be held 1 year hence."

Responding to another question, the NSP chairman general noted that no one other than the security forces can possess the power to provide state security and stated that he does not approve of the comments made by the minister of interior and the governor of Ordu Province regarding the Fatsa incidents.

In answer to another question, Erbakan said that the NSP, like the RPP, wants the assembly to function, but the JP prevents this.

To a reporter's question as to what the NSP's position towards the general questioning in parliament of the minister of interior will be, the NSP chairman general replied, "Right now, I cannot say anything. Our assembly group will reach a decision on this topic."

Erbakan, answering a question concerning the presidential election, accused the two large parties and said, "We do not favor putting off the election of the president until after early elections are held. The two large parties must put an end to this as quickly as possible by voting for their own candidates."

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'CUMHURIYET' CALLS FOR CHANGE IN DEMIREL'S ATTITUDE

Istanbul CUMHURIYET in Turkish 23 Jul 80 pp 1,5

[Article by Hasan Cemal]

[Text] Ankara--The bloody scars of anarchy and terrorism incite to the utmost discontent with the system of government in the political wings of the capital city. The debate over what nearly everyone can do in order to save the multiparty system from "misfortune" attracts attention.

A high-ranking RPP [Republican People's Party] official we talked with yesterday said, "From the standpoint of democracy, there will be no victor in this remorseless match. There will be no end to this course of action. How can one talk about democracy where there is no security for lives?" Another RPP official reported that Demirel made it known, in a letter sent the other day, that he does not intend to alter even a fraction of his policy. This same official pointed out that RPP-JP [Justice Party] co-operation is impossible if the JP leader continues to pursue his policy of intimacy with the NAP [National Action Party] and if he does not stop insisting on a minority government.

In this atmosphere that wafts from the RPP, the leaders of the government party and of the major opposition party will have a "business dinner" tomorrow night at the Cankaya Villa. What outcome can be expected from the dinner held at the home of acting President Caglayangil? Can this invitation be the source of "detente" between the two party leaders?

Before looking for the answers to these questions, it is necessary to bring up a point. If the two leaders had been able to come together in recent months, this alone would have been a "source of optimism" even if no concrete solution were reached. But, in fact, it is necessary to admit that the validity of this type of optimism was long ago destroyed by the atmosphere of crisis Turkey has been experiencing. For that reason, it would be more appropriate to one's common sense to look upon the incident from a more realistic viewpoint and to ascertain under which conditions could an interchange between the two leaders yield solid results.

Demirel's Attitude

It is possible to summarize JP leader Demirel's position prior to the business dinner in Cankaya as follows: "Is cooperation between parties on the topic of anarchy and terrorism what you want? In that case, come and let us first pass three laws through parliament in a special session. These three laws are related to the state security courts, legislation dealing with extraordinary conditions, and increasing the authority of martial law commanders. These are concrete areas of cooperation that are presented to you. That is as far as I will go."

This is what the JP leader has been saying. For this reason, there has been no new aspect to his approach to the situation. What he said before is what he says today. We believe that, unless there is an extraordinary development, he will, after some hemming and hawing, repeat his viewpoint in the presence of Caglayanil.

RPP's Approach

In contrast, what is the situation within the RPP? The impressions we have received from conversations during the past 2 days can be summarized as follows:

"Looking at the letter containing the call for cooperation, it can be seen that there is no change in Demirel's position. Cooperation is completely limited to the passage of three laws. Our position on the topic of these three laws is clear. We also have a law bill on the subject of the state security courts. It is to change their name to specialized or expert courts. There is only one important factor about a law that covers acts of violence solely. We say that legal principles must not be violated and that the road must not be left open to partisanship in the appointment of judges. We say that a cloud must not be cast over the independence of the courts. Likewise, a law dealing with extraordinary conditions can be discussed as can increasing the powers of martial law commanders. It is possible to sit down and talk about this. But, what is important is separate from this. It has been realized that it is not possible to extricate Turkey from the place it is today with a minority government. Demirel continues to pursue his one-sided approach to anarchy and terrorism. The JP leader and prime minister continues to fail to see the rightist perpetrators of violent activities. He persists in being on intimate terms with the NAP. Under these conditions, to equip the Demirel government with new powers would ensure that the setting up of camps in Turkey would not cease. This would ensure that both covert security forces and those open to view would continue to slip away from a constitutional course. From this standpoint, Demirel's concept makes it necessary to have a new mode of government. Without this, the mere passage of a series of laws and the endowment of new powers on a minority government cannot lead Turkey out of its impasse, but only deeper into it."

According to RPP officials, Demirel still possesses a mania to "write the rules of the game himself and play the game accordingly." He appears to be determined not to change one iota. In fact, NSP [National Salvation Party] officials also criticize this aspect of the JP. Acting Chairman Hasan Aksay of the NSP group said yesterday:

"The call for cooperation and unity can be seen as an excellent move. But, he who has issued this call, while seeking unity, says, 'Everyone come and do as I command. Let me continue following my mistaken thinking.'"

It is necessary to consider just the criticisms on this issue of the RPP and NSP officials that have been directed at the JP leader. For example, although everyone knew that it was NAP members and idealist militants who incited the Gorum incidents, Mr. Demirel was able to accuse the RPP once again. For a long time, he and his followers were able to nurture the myth that the "rightists were aiding the nation."

As long as Demirel's attitude on this subject does not change, as long as he does not forsake his policy of preventing the detente at the top that the major opposition party is ready to accept, the possibility of a "lessening of tensions" will remain a sweet dream no matter how many laws are passed by parliament and no matter how much territory martial law covers or how much authority it is given.

Prior to Demirel's meeting with Ecevit in Cankaya, we deem it beneficial to make this point so that unnecessary and unfounded optimism will be avoided. The RPP administration and leader have continued their call to the JP and the coalition for cooperation and accord from the 14 October 1979 elections until the present time. There has been no change in their course. Risking a number of reactions within and outside the party, they continue to support cooperation. In the meantime, they have directed their harshest criticism and accusations at Demirel and his government as is befitting a democracy. There is nothing strange about this from the standpoint of democratic behavior. However, it is Demirel himself who refuses to alter his course while in power or while the opposition. When will the JP leader be able to understand that his strategy of crisis that has become habitual will serve no purpose for not only himself, but also for his party?

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